

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**Interim Consolidated Financial Statements**

**As of September 30, 2016 (Unaudited) and December 31, 2015 (Audited)  
And for the 9 (Nine) Months Periods Ended September 30, 2016 and 2015  
(Unaudited)**



**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

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**DIRECTORS' STATEMENT  
ON  
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 9 (NINE) MONTHS PERIOD ENDED SEPTEMBER 30, 2016**

We the undersigned:

- |  |  |
|--|--|
| 1. Name                                      | : Ketut Budi Wijaya  |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811 |
| Residential Address<br>(as in identity card) | : Jln. Percetakan Negara II/3<br>Johar Baru, Jakarta Pusat.                                  |
| Telephone                                    | : (021)2566 9000   |
| Title  | : President Director   |
| 2. Name                                      | : Richard Setiadi  |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811 |
| Residential Address<br>(as in identity card) | : Jln. Hanoman Raya 20A RT 003/RW 009<br>Rawa Buaya, Cengkareng, Jakarta Barat               |
| Telephone                                    | : (021)2566 9000   |
| Title  | : Finance Director   |

State that:

1. We are responsible for the preparation and the presentation of the interim consolidated financial statements of PT Lippo Karawaci Tbk ("the Company");
2. The Company's interim consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. a. All information contained in the Company's interim consolidated financial statements is complete and correct;  
b. The Company's interim consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 8 November 2016

**PT Lippo Karawaci Tbk**

  
**Ketut Budi Wijaya**  
President Director



  
**Richard Setiadi**  
Finance Director

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of September 30, 2016 (Unaudited) and December 31, 2015 (Audited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

<b>ASSETS</b>	<b>Notes</b>	<b>September 30, 2016 Rp</b>	<b>December 31, 2015 Rp</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	3, 10, 45, 47	2,055,281,928,940	1,839,366,003,277
Trade Accounts Receivable	4, 47		
Third Parties	45	1,877,457,561,529	1,424,217,469,472
Related Parties	10	8,630,638,672	10,130,038,169
Available-for-Sale Financial Assets	5, 47	6,668,457,135,231	5,869,063,440,408
Other Current Financial Assets	6, 43.d, 45, 47	2,190,891,529,001	2,928,088,914,567
Inventories	7	22,456,971,500,284	20,458,990,316,986
Prepaid Taxes	19.c	847,569,278,281	817,415,175,234
Prepaid Expenses	8, 43.b	283,349,364,247	229,665,665,157
<b>Total Current Assets</b>		<b>36,388,608,936,185</b>	<b>33,576,937,023,270</b>
<b>Non-Current Assets</b>			
Due from Related Parties Non-Trade	10, 47	31,710,832,058	37,093,485,060
Other Non-Current Financial Assets	9, 10, 45, 47	839,381,905,354	754,183,530,989
Investments in Associates	10, 11	259,640,119,580	153,843,414,817
Investments in Joint Venture	10, 12	265,423,441,676	231,427,318,896
Investment Property	13	414,803,144,226	417,000,308,256
Property and Equipment	14	2,769,691,817,345	2,731,532,523,878
Intangible Assets	15	535,654,750,238	534,930,482,004
Deferred Tax Assets	19.b	49,978,537,153	46,950,367,278
Advances	16	1,559,425,794,692	1,429,931,761,310
Land for Development	17	1,314,597,732,786	1,369,660,864,310
Other Non-Current Non-Financial Assets		392,725,751,275	43,067,097,981
<b>Total Non-Current Assets</b>		<b>8,433,033,826,383</b>	<b>7,749,621,154,779</b>
<b>TOTAL ASSETS</b>		<b>44,821,642,762,568</b>	<b>41,326,558,178,049</b>

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**

As of September 30, 2016 (Unaudited) and December 31, 2015 (Audited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

<b>LIABILITIES AND EQUITY</b>	<b>Notes</b>	<b>September 30, 2016 Rp</b>	<b>December 31, 2015 Rp</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Accounts Payable - Third Parties	20, 45, 47	977,897,216,005	782,916,296,824
Accrued Expenses	18, 45, 47	1,348,367,920,500	1,006,468,547,643
Taxes Payable	19.d	275,033,286,462	228,973,968,765
Short-Term Employment Benefits Liabilities	47	13,944,799,932	12,171,380,895
Short-Term Bank Loans	21, 47	1,712,452,465,783	962,173,564,967
Current Portion of Long-Term Liabilities	47		
Bank Loans	23	59,194,108,545	48,261,246,570
Finance Lease Obligation	24	12,190,184,691	--
Other Current Financial Liabilities	22, 47	595,620,627,657	339,865,932,700
Advances from Customers	27	1,289,113,975,093	863,192,440,180
Deferred Income	10, 28	392,787,863,395	480,093,178,686
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	131,205,115,132	132,766,996,702
<b>Total Current Liabilities</b>		<b>6,807,807,563,195</b>	<b>4,856,883,553,932</b>
<b>Non-Current Liabilities</b>			
Long-Term Bank Loans	23, 47	505,694,318,445	471,749,633,437
Finance Lease Obligation	24, 47	61,035,114,103	--
Due to Related Parties Non-Trade	10, 47	2,425,352,150	7,528,997,776
Bonds Payable	25, 45, 47	10,360,136,139,490	10,883,059,011,816
Other Non-Current Financial Liabilities	47	119,679,410,279	85,551,631,230
Post-employment Benefits Liabilities	10, 26	312,706,115,359	311,085,515,426
Deferred Tax Liabilities	19.b	32,559,449,248	39,593,675,631
Advances from Customers	27	3,487,489,310,994	4,348,551,967,369
Deferred Income	10, 28	428,783,892,243	359,098,632,304
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	931,676,345,819	1,046,691,000,786
<b>Total Non-Current Liabilities</b>		<b>16,242,185,448,130</b>	<b>17,552,910,065,775</b>
<b>Total Liabilities</b>		<b>23,049,993,011,325</b>	<b>22,409,793,619,707</b>
<b>EQUITY</b>			
<b>Equity Attributable to Owner of the Parent</b>			
Capital Stock			
Par Value - Rp100			
Authorized Capital - 64,000,000,000 shares			
Issued and Fully Paid - 23,077,689,619 shares	30	2,307,768,961,900	2,307,768,961,900
Additional Paid-in Capital - Net	31	4,063,148,621,880	4,063,148,621,880
Difference in Transactions with Non-Controlling Interests	32	2,587,302,929,030	1,551,184,427,661
Other Equity Components	33	1,105,101,368,218	1,105,101,368,218
Treasury Stock	30	(216,524,113,794)	(216,524,113,794)
Retained Earnings		7,710,655,248,383	7,101,438,271,572
Other Comprehensive Income	35	1,160,435,975,152	482,023,339,014
<b>Total Equity Attributable to Owner of the Parent</b>		<b>18,717,888,990,769</b>	<b>16,394,140,876,451</b>
<b>Non-Controlling Interests</b>	36	<b>3,053,760,760,474</b>	<b>2,522,623,681,891</b>
<b>Total Equity</b>		<b>21,771,649,751,243</b>	<b>18,916,764,558,342</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,821,642,762,568</b>	<b>41,326,558,178,049</b>

The accompanying notes form an integral part of these  
Interim consolidated financial statements

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

For the 9 (Nine) Months Periods Ended September 30, 2016 and 2015 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2016 (9 Months) Rp	2015 (9 Months) Rp
<b>REVENUES</b>	10, 37	7,425,362,362,327	6,758,618,072,044
Final Tax Expenses	19.a	(171,739,496,001)	(162,393,571,731)
<b>NET REVENUES</b>		<b>7,253,622,866,326</b>	<b>6,596,224,500,313</b>
<b>COST OF REVENUES</b>	38	<b>(4,133,124,906,520)</b>	<b>(3,535,434,672,413)</b>
<b>GROSS PROFIT</b>		<b>3,120,497,959,806</b>	<b>3,060,789,827,900</b>
Operating Expenses	10, 39	(1,959,740,943,380)	(1,746,684,323,656)
Other Income	41	391,762,722,378	199,146,917,375
Other Expenses	41	(130,051,016,252)	(838,915,936,158)
<b>PROFIT FROM OPERATIONS</b>		<b>1,422,468,722,552</b>	<b>674,336,485,461</b>
Financial Charges - Net	40	(246,231,001,768)	(98,688,488,243)
Loss on Disposal of Available-for-Sale Financial Assets		--	(15,437,851,660)
Share in the Profit of Associates and Joint Venture	11, 12	7,029,017,543	8,514,349,143
<b>PROFIT BEFORE TAX</b>		<b>1,183,266,738,327</b>	<b>568,724,494,701</b>
Tax Expenses	19.a	(188,760,637,534)	(124,068,503,070)
<b>PROFIT FOR THE PERIOD</b>		<b>994,506,100,793</b>	<b>444,655,991,631</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other Comprehensive Income Items that will not be Reclassified Subsequently to Profit or Loss:			
Gain from Remeasurement of Defined Benefits Plan		21,161,908,922	48,695,463,334
Other Comprehensive Income Items that will be Reclassified Subsequently to Profit or Loss:			
Loss from Translation of Financial Statements		(19,372,803,170)	(290,733,035,385)
Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets		748,861,064,482	254,233,753,589
Reclassification Adjustment on Loss Available-for-Sale Financial Assets in Profit or Loss		--	(15,437,851,660)
<b>OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>		<b>750,650,170,234</b>	<b>(3,241,670,122)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,745,156,271,027</b>	<b>441,414,321,509</b>
Profit for the Period Attributable to:			
Owner of the Parent		664,589,589,576	66,398,354,583
Non-Controlling Interests		329,916,511,217	378,257,637,048
		<b>994,506,100,793</b>	<b>444,655,991,631</b>
Total Comprehensive Income for the Period Attributable to:			
Owner of the Parent		1,367,629,612,949	162,295,299,550
Non-Controlling Interests		377,526,658,078	279,119,021,959
		<b>1,745,156,271,027</b>	<b>441,414,321,509</b>
<b>EARNINGS PER SHARE</b>			
Basic, Profit for the Period Attributable to Ordinary Shareholders of the Parent	42	29.19	2.92

The accompanying notes form an integral part of these  
Interim consolidated financial statements

These interim consolidated financial statements are originally issued in Indonesian language

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the 9 (Nine) Months Periods Ended September 30, 2016 and 2015 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

Total Equity Attributable to Owner of the Parent													
Notes	Additional Paid-in Capital - Net						Retained Earnings		Other Comprehensive Income		Total Rp	Non-Controlling Interests Rp	Total Equity Rp
	Issued and Fully Paid Capital Stock Rp	Paid-in Capital Excess of Par - Net Rp	Difference in Value from Restructuring Transactions between Entities Under Common Control- Net Rp	Difference in Transactions with Non-Controlling Interests Rp	Other Equity Component Rp	Treasury Stock Rp	Appropriated Rp	Unappropriated Rp	Translation of Financial Statements Rp	Available-for-Sale Financial Assets Rp			
BALANCE AS OF JANUARY 1, 2015	2,307,768,961,900	4,043,613,274,615	19,535,347,265	529,570,372,012	1,105,101,368,218	(216,524,113,794)	8,000,000,000	6,950,145,679,167	670,172,145,549	170,197,156,625	15,587,580,191,557	2,033,249,666,540	17,620,829,858,097
Equity Changes in 2015													
Non-Controlling Interests	--	--	--	--	--	--	--	--	--	--	--	52,828,817,731	52,828,817,731
Acquisition of Shares in Subsidiary	32	--	--	43,851,181,695	--	--	--	--	--	--	43,851,181,695	(59,185,181,695)	(15,334,000,000)
Cash Dividend and Reserved Fund	34	--	--	--	--	--	1,000,000,000	(381,000,000,000)	--	--	(380,000,000,000)	--	(380,000,000,000)
Dividend Distribution In Subsidiaries		--	--	--	--	--	--	--	--	--	--	(137,465,876,654)	(137,465,876,654)
Acquisition of Shares in Subsidiary		--	--	--	--	--	--	--	--	16,463,380,674	16,463,380,674	37,004,196,713	53,467,577,387
Disposal of Shares in Subsidiary	32	--	--	1,000,581,189,869	--	--	--	--	--	--	1,000,581,189,869	136,218,810,131	1,136,800,000,000
Profit for the Period		--	--	--	--	--	--	66,398,354,583	--	--	66,398,354,583	378,257,637,048	444,655,991,631
Other Comprehensive Income for the Period		--	--	--	--	--	--	35,997,109,994	(290,733,035,385)	350,632,870,358	95,896,944,967	(99,138,615,089)	(3,241,670,122)
BALANCE AS OF SEPTEMBER 30, 2015	2,307,768,961,900	4,043,613,274,615	19,535,347,265	1,574,002,743,576	1,105,101,368,218	(216,524,113,794)	9,000,000,000	6,671,541,143,744	379,439,110,164	537,293,407,657	16,430,771,243,345	2,341,769,454,725	18,772,540,698,070
BALANCE AS OF JANUARY 1, 2016	2,307,768,961,900	4,043,613,274,615	19,535,347,265	1,551,184,427,661	1,105,101,368,218	(216,524,113,794)	9,000,000,000	7,092,438,271,572	426,111,052,423	55,912,286,591	16,394,140,876,451	2,522,623,681,891	18,916,764,558,342
Equity Changes in 2016													
Disposal of Shares in Subsidiary	32	--	--	1,036,118,501,369	--	--	--	--	--	--	1,036,118,501,369	160,444,998,631	1,196,563,500,000
Cash Dividend and Reserved Fund	34	--	--	--	--	--	1,000,000,000	(81,000,000,000)	--	--	(80,000,000,000)	--	(80,000,000,000)
Dividend Distribution In Subsidiaries		--	--	--	--	--	--	--	--	--	--	(6,834,578,126)	(6,834,578,126)
Profit for the Period		--	--	--	--	--	--	664,589,589,576	--	--	664,589,589,576	329,916,511,217	994,506,100,793
Other Comprehensive Income for the Period		--	--	--	--	--	--	24,627,387,235	(19,372,803,170)	697,785,439,308	703,040,023,373	47,610,146,861	750,650,170,234
BALANCE AS OF SEPTEMBER 30, 2016	2,307,768,961,900	4,043,613,274,615	19,535,347,265	2,587,302,929,030	1,105,101,368,218	(216,524,113,794)	10,000,000,000	7,700,655,248,383	406,738,249,253	753,697,725,899	18,717,888,990,769	3,053,760,760,474	21,771,649,751,243

The accompanying notes form an integral part of these  
Interim consolidated financial statements

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the 9 (Nine) Months Periods Ended September 30, 2016 and 2015 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collections from Customers	6,803,538,712,394	6,443,052,637,482
Payments to Suppliers and Other Third Parties	(5,970,286,878,231)	(6,892,032,100,749)
Payments to Employees	(1,081,754,638,508)	(979,145,931,557)
Interest Received	63,451,717,716	61,067,370,421
Interest Payments	(648,408,045,737)	(497,777,053,451)
Tax Payments	(380,117,824,759)	(468,758,243,971)
Net Cash Used in Operating Activities	<u>(1,213,576,957,125)</u>	<u>(2,333,593,321,825)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipt of Hotel and Hospital Performance Guarantee	103,500,000,000	--
Property and Equipment and Software		
Disposal	97,672,531	64,584,005
Acquisition	(462,895,460,115)	(280,783,590,777)
Receipt of Dividend	343,660,145,783	347,806,824,674
Placement of Investment in Promissory Notes	--	(10,206,914,400)
Acquisition Shares of Non-Controlling interest in subsidiary	--	(15,334,000,000)
Disposal of Available-for-Sale Financial Assets	--	62,139,466,275
Placement of other investment	(94,897,098,200)	--
Placement of Investment in Association	(100,000,000,000)	--
Acquisition of Investment Property	(17,342,091,494)	--
Placement of Restricted Funds	(52,301,215,864)	(47,390,496,606)
Placement of Investments in Joint Venture	--	(111,357,207,223)
Disposal of Share in Subsidiary	1,196,563,500,000	1,136,800,000,000
Acquisition of Subsidiary Net of Cash Receipt	1,417,067,268	--
Placement of Investments in Mutual Fund	(47,500,000,000)	(27,340,760,500)
Placement of Advances	(213,941,131,217)	(665,434,508,749)
Net Cash Provided by Investing Activities	<u>656,361,388,692</u>	<u>388,963,396,699</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Bond Issuance		
Receipt	3,411,980,000,000	--
Payments	(3,272,250,000,000)	--
Issuance Cost	(56,815,864,331)	--
Received from (Payment to) Related Parties - Net	279,007,376	(20,172,541,403)
Payment Finance Lease Obligation	(3,579,226,296)	--
Dividend Distribution to:		
Owner of the Parent	(80,000,000,000)	(380,000,000,000)
Non-Controlling Interests	(4,468,207,363)	(137,465,876,654)
Bank Loans		
Receipt	3,409,814,973,995	517,000,000,000
Payments	(2,614,658,526,195)	(11,461,400,681)
Net Cash Provided by (Used in) Financing Activities	<u>790,302,157,186</u>	<u>(32,099,818,738)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	233,086,588,753	(1,976,729,743,864)
Effect of Foreign Exchange on Cash and		
Cash Equivalents at the End of the Period	(17,170,663,090)	31,095,991,656
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>1,839,366,003,277</u>	<u>3,529,169,475,504</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>2,055,281,928,940</b></u>	<u><b>1,583,535,723,296</b></u>

Additional informations that does not affect the activity of cash flows  
are presented in Note 49.

The accompanying notes form an integral part of these  
Interim consolidated financial statements



**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As of September 30, 2016 (Unaudited) and December 31, 2015 (Audited)  
And for the 9 (Nine) Months Periods Ended September 30, 2016 and 2015 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

**1. General**

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**1.a. The Company's Establishment**

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 30 dated July 3, 2015, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange of the Company's article of association. The change of deed was received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.03.0951738 dated July 15, 2015.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers and sports centers, supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's and subsidiaries (Group) main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and subsidiaries, includes Sumatera, Java, Bali, Borneo, Sulawesi, Nusa Tenggara and several subsidiaries domiciled in Singapore, Malaysia, British Virgin Island, Vanuatu and Seychelles.

The Company is domiciled at Jl Boulevard Palem Raya No. 7, Menara Matahari 22nd - 23rd Floor, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

**1.b. The Company's Initial Public Offering**

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed in the Indonesian Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in the Indonesian Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares which increased the Company's total outstanding shares to 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

In 2004, the Company offered 881,905,813 common shares at par value of Rp500 to the stockholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to stockholders who exercised their rights in the Limited PublicOffering II. This offering was approved by the Decree of the Chairman of

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Bapepam-LK in his Letter No. S-3357/PM/2004 dated October 29, 2004. These shares were listed in the Indonesian Stock Exchange on January 20, 2005.

On July 28, 2006, the Company exercised stock split from one to two shares. The outstanding 5,871,017,072 shares as of December 31, 2006 have been listed in the Indonesian Stock Exchange.

On December 26, 2007, the Company exercised stock split from Rp 250 to Rp100 per share. The outstanding 17,302,151,695 shares as of December 31, 2007 have been listed in the Indonesian Stock Exchange.

In December 2010, the Company offered 4,325,537,924 common shares with a par value of Rp100 to the stockholders through Limited Public Offering III. This offering has received an effective notice of registration statement through the letter of the Chairman of Bapepam-LK No. S-10674/BL/2010, dated November 29, 2010 and was approved by the stockholders through a resolution of the EGM on same date. On December 29, 2010 these shares were listed in the Indonesian Stock Exchange.

Based on the Deed of Extraordinary General Meeting of Stockholders (EGMS) No. 02 dated May 3, 2010 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, which was recently updated by the Deed of EGMS Resolution No. 13 dated March 9, 2011, made in the presence of same notary, the stockholders approved the issuance of new shares within the framework of the Non Preemptive Rights Issuance (NPRI) with a maximum of 10% of paid-in capital or 2,162,768,961 shares. The NPRI can be implemented at once and / or gradually within a year of 2 (two) years as approved by the EGMS. On June 6, 2011, the addition of 1,450,000,000 shares has been issued. The new shares were listed in the Indonesian Stock Exchange on June 8, 2011.

Based on the Deed of EGMS No. 19 dated November 15, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, the shareholders approved the repurchase (buyback) of outstanding shares. In 2011, the number of shares repurchased amounted to 96,229,500 shares, bringing the total number of ordinary shares outstanding as of the December 31, 2011 amounted to 22,981,460,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 005/LK-COS/I/2012 dated January 13, 2012.

The repurchased of the outstanding ordinary shares made in 2012 totalling 209,875,000 shares, bringing the outstanding shares as of December 31, 2012 amounted to 22,771,585,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

### 1.c. Structure of the Company and it subsidiaries (Group)

The Details of subsidiaries consolidated in the interim consolidated financial statements are as follows:

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
Theta Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	11,099,469,563,118	11,422,760,431,696
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	10,944,255,524,725	11,347,225,059,287
Sigma Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	4,634,352,153	5,211,394,537
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,562,064,036	4,985,955,682
Lippo Karawaci Corporation Pte Ltd**** and subsidiaries	Singapore	Investment, Trading and Services	100.00%	--	--	630,652,749,207	536,104,452,256
LK Reit Management Pte Ltd**** and subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	630,652,758,729	536,104,462,007
Bowsprit Capital Corporation Ltd****	Singapore	Investment, Trading and Services	--	100.00%	2006	630,652,749,207	536,104,452,256
Jesselton Investment Limited*** and subsidiaries	Malaysia	Investment, Trading and Services	100.00%	--	--	639,877,735,535	500,438,252,026
Peninsula Investment Limited*** and subsidiary	Malaysia	Investment, Trading and Services	--	100.00%	--	639,877,748,533	500,438,265,821
LMIRT Management Ltd ****	Singapore	Investment, Trading and Services	--	100.00%	2007	544,980,637,335	500,438,252,026
PT Primakreasi Propertindo and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	99.99%	0.01%	--	10,619,164,401,566	10,192,368,427,422
PT Mujur Sakti Graha and subsidiaries	Tangerang	Real Estate	--	100.00%	--	69,089,254,610	48,223,381,969
PT Surplus Multi Makmur and subsidiary	Jakarta	Real Estate	--	90.00%	--	88,132,857,400	67,263,961,296

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--	88,136,673,379	67,269,439,275
PT Puri Paragon	Tangerang	Development, Trading and Services	--	100.00%	--	580,592,942	580,592,942
PT Menara Tirta Indah	Tangerang	Development, Trading and Services	--	100.00%	--	665,629,003,791	589,769,816,739
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	20,148,670,609	20,153,153,609
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	5,709,187,830	5,783,526,903
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	11,403,040,310	10,948,173,364
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	107,041,489,458	107,371,000,238
PT Safira Prima Utama (2.14% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	961,750,856,029	962,085,510,656
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--	1,061,114,542,014	1,061,156,484,719
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,887,983,914	62,855,297,333
PT Graha Solusi Mandiri and subsidiaries	Jakarta	Services	--	100.00%	--	115,831,894,820	115,840,230,785
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	80.00%	--	126,269,155	126,269,155
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	835,838,480	836,815,072
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	80,585,198,867	98,085,547,608
PT Mandiri Cipta Gemilang and subsidiaries	Jakarta	Real Estate	--	100.00%	2003	5,563,789,100,928	5,359,772,584,370
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	198,648,023,380	152,735,911,089
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2013	153,940,603,412	165,184,501,524
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,465,639,361	2,466,061,055
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	343,492,239,906	343,382,182,073
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	60,982,771,111	67,518,029,603
PT Bimasakti Jaya Abadi and subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	783,440,191,296	692,440,162,336
PT Kuta Beach Paragon and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	588,215,353,711	496,342,111,971
PT Graha Buana Utama and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	588,110,215,754	496,236,767,718
PT Berkat Langgeng Jaya and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	588,677,037,754	496,803,589,718
PT Pamor Paramita Utama and subsidiaries	Badung	Development, Trading and Services	--	100.00%	2013	580,147,424,040	487,350,358,983
PT Kridakarya Anugerah Utama <sup>2)</sup>	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Kencana Agung Pratama <sup>2)</sup>	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Trimulia Kencana Abadi <sup>2)</sup>	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	4,041,556,478	4,041,556,478
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--	504,880,462,579	439,260,589,848
PT Danisa Indah Cipta and subsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	117,827,085	525,051,461
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	105,716,930	82,825,717
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,709,844,579	3,741,589,528
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,976,829,166	1,976,952,108
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	54,047,768,007	54,201,213,000
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,414,032,622	15,566,114,296
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	66,415,182,723	52,883,372,764

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	2,065,796,360	1,986,816,333
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	586,318,750	586,968,750
PT Lautan Sinar Abadi	Tangerang	Development, Trading and Services	--	100.00%	--	1,356,033,288	1,356,033,288
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	583,750,000	583,750,000
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,290,565,538	5,111,793,383
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	51,804,676,191	36,717,871,271
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,230,131,597	11,236,947,569
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,320,667,400	2,325,167,400
PT Bumi Aurum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--	64,883,108,643	63,588,734,445
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	58,705,000	58,705,000
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	70.00%	2013	1,007,987,118,918	1,011,670,328,438
PT Jayadipita Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,320,667,400	2,325,167,400
PT Bumi Sindang Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	141,213,197	141,213,197
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	586,444,855	588,161,989
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	--	93,030,492,358	66,123,746,499
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	596,984,343	595,515,923
PT Sekawan Dunia Dinamika	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	581,500,000
PT Citra Dwi Anugrah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	519,780,515	519,780,515
PT Pelangi Mutiara Timur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	516,072,086	518,509,311
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	481,452,227	486,389,017
PT Sinar Biru Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,500,000	581,500,000
PT Tunggal Mekar Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,600,000	583,000,000
PT Bowsprit Asset Management and subsidiaries	Jakarta	Investment Trading	--	100.00%	2015	24,034,423,490	24,034,423,490
PT Prima Asset Gemilang and subsidiaries <sup>1)</sup>	Jakarta	Investment Trading	--	100.00%	--	180,000,000	--
PT Cipta Properti Sejahtera <sup>1)</sup>	Jakarta	Investment Trading	--	100.00%	--	60,000,000	--
PT Kencana Swastika Mandiri <sup>1)</sup>	Jakarta	Investment Trading	--	100.00%	--	60,000,000	--
PT Andakara Surya Cipta <sup>1)</sup>	Jakarta	Investment Trading	--	100.00%	--	60,000,000	--
PT Sentra Balaraja Gemilang	Jakarta	Investment Trading	--	100.00%	--	60,000,000	--
PT Satu Mahakarya Gemilang	Jakarta	Investment Trading	--	100.00%	--	60,000,000	--
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	217,602,813	217,191,186
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	28,850,000	30,350,000
PT Mentari Adi Perkasa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	997,755,000	997,755,000
PT Berdikari Jaya Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	69,855,000	72,255,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Lumbung Mas Trijaya and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	806,881,077,808	870,735,577,840
PT Karyatama Buana Cemerlang and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	726,887,018,204	790,741,518,236
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	2014	684,165,149,561	730,423,687,982
PT Dwi Prabu Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Sumber Pundi Sejahtera	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,949,088,065	10,970,562,500
PT Prabu Cipta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,317,500	581,517,500
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--	5,907,985,482	5,908,209,435
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	128,604,043,954	89,752,402,218
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,266,519,811	72,205,241,071
PT Suar Lintas Samudra	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	581,500,000
PT Berkas Samiguna Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	572,000,000	574,000,000
PT Global Lintas Multitama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,600,000	584,000,000
PT Sarana Ciptakarya Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	581,500,000
PT Mitra Samiguna Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	9,976,981,000	9,977,026,000
PT Cipta Mutiara Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	149,975,085,001	149,978,000,000
PT Suar Mutiara Semesta	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,400,000	584,000,000
PT Manyala Harapan	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	98,118,797,649	92,685,594,499
PT Suar Lintas Benua and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	858,800,000	863,650,000
PT BST Kupang Sejahtera	Jakarta	Development, Trading, Printing and Services	--	50.10%	--	600,000,000	600,000,000
PT Mulia Cipta Wibawa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	582,500,000
PT Andromeda Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	2015	167,347,023,852	102,013,197,250
PT Persada Mandiri Jaya	Jakarta	Transportation, Agriculture, Workshops and Services	--	55.00%	--	586,500,000	586,500,000
PT Bandha Mulia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,151,371,500	11,154,600,000
PT Dutamas Cakra Tunggal	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,159,730	583,559,730
PT Indocitra Mulia Pratama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,506,591,424	1,313,000,953
PT Praja Adikara Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	8,447,132,149	3,048,283,917
PT Prima Sentosa Jaya Abadi	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	584,825,000	586,950,000
PT Indahjaya Sukses Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	586,250,000	588,375,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Mandara Nusa Loka	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	586,205,001	588,350,000
PT Garda Utama Manado	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	587,700,000	588,350,000
PT Cipta Bakti Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,482,584,791	1,094,236,892
PT Binaman Cipta Mandiri	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	39,507,233,388	39,508,475,332
PT Sentra Dwimandiri and subsidiaries (1.63% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	99.99%	0.01%	--	6,440,436,224,718	5,855,097,222,765
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	566,439,123	566,439,123
PT Sentra Realindo Development and subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Care	--	100.00%	2001	157,155,351,082	143,912,331,574
PT Darma Sarana Nusa Pratama and subsidiary	Tangerang	Real Estate	--	52.70%	1997	78,662,779,993	72,905,668,870
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	9,096,940,659	7,359,760,353
PT Golden Pradamas and subsidiaries	Tangerang	Real Estate	--	100.00%	--	694,609,062,741	733,793,521,174
PT Mulia Bangun Semesta and subsidiaries	Tangerang	Real Estate	--	100.00%	2002	783,370,848,782	811,992,028,933
PT Villa Permata Cibodas and subsidiaries	Tangerang	Real Estate	--	100.00%	1995	264,507,112,425	298,803,357,037
PT Puncak Resort International and subsidiaries	Cianjur	Real Estate	--	99.99%	1994	76,735,807,232	76,183,843,809
PT Dona Indo Prima	Tangerang	Real Estate	--	100.00%	--	41,078,268,776	41,078,593,520
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,670,619,374	22,670,912,374
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	9,351,701,522	9,351,288,266
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,181,802,068	7,181,954,068
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,824,145,812	1,824,438,812
PT Sukmaprima Sejahtera	Tangerang	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Villapermata Gemilang Abadi	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bumi Sawarna Indah	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mulia Sentosa Dinamika (4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997	390,671,619,616	402,589,982,356
PT Sentra Asritama Realty Development and subsidiaries	Tangerang	Installation and Water Treatment	--	100.00%	1994	220,793,370,271	204,103,464,536
PT Tata Mandiri Daerah Lippo Karawaci and susidiary	Tangerang	Town Management	--	100.00%	1999	205,552,489,775	187,450,907,583
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	99.99%	--	20,799,337,054	20,330,325,285
PT Karya Bersama Jaya	Jakarta	Installation and Water Treatment	--	100.00%	2010	38,646,862,288	32,890,064,172
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,360,454,801	33,361,768,217
PT Saptapersada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	7,502,177,089	7,844,810,637
PT Sejahtera Selaras	Jakarta	Real Estate	--	100.00%	--	13,199,331,977	13,200,319,878
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,691,131,232	16,700,451,232
PT Sentra Office Realty	Tangerang	Development	--	100.00%	1998	722,781,760	722,781,760
PT Dinamika Intertrans	Jakarta	Transportation	--	100.00%	1994	1,274,548,044	1,157,802,808
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	462,196,500	465,520,500
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,550,527,213	2,551,501,213
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	156,416,321	157,053,301
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	4,925,708	5,913,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	4,544,966	5,532,966
PT Manunggal Bumi Sejahtera and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	436,551,986,311	531,233,655,665
PT Asiatic Sejahtera Finance	Tangerang	Development, Trading, Printing and Services	--	100.00%	2009	555,683,746,759	427,015,850,305
PT Paragon City	Jakarta	Real Estate and Trading	--	100.00%	--	15,721,565,115	15,695,892,615
PT Padang Indah City	Padang	Trading Development and Services	--	100.00%	--	16,718,915,228	16,720,547,228
Bridgewater International Ltd***	Seychelles	Investment and Trading	--	100.00%	2006	4,769,792,113,540	4,260,614,432,503
Pan Asian Investment Ltd*** and subsidiary	Vanuatu	Trading	--	100.00%	--	6,790,208,086	6,790,208,086
Cromwell Investment Ltd***	Vanuatu	Trading	--	100.00%	--	16,930	16,930
PT Lippo Karawaci Infrastructure & Utilities Division and subsidiary	Tangerang	Construction and Services	--	100.00%	--	10,215,855,226	10,217,805,495
PT TMD Manado Manajemen	Tangerang	Management Consulting	--	100.00%	--	10,000,000,000	10,000,000,000
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	96,190,654,324	102,088,788,768
Evodia Strategic Investment Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	476,099,995,449	487,549,995,340
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	2014	19,847,827,264	14,761,833,436
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	50,548,647,626	32,036,078,824
PT TMD Depok Manajemen	Depok	Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentrasemesta Indah Cemerlang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pratama Agung Indah	Tangerang	Trading Development, Printing and Services	--	100.00%	--	1,032,314,493	--
PT Realty Propertindo Perkasa	Tangerang	Trading Development, Printing and Services	--	100.00%	--	1,025,785,469	--

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# PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

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And for the 9 (Nine) Months Periods Ended September 30, 2016 and 2015 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Wisma Jatim Propertindo and subsidiaries (1.23% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Services	100.00%	--	--	5,987,781,602,179	5,752,773,130,589
PT Maharama Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk and 0.05% ownership in PT Siloam International Hospitals Tbk)	Jakarta	Trading	--	100.00%	--	274,316,000	274,316,000
PT Kemang Paragon Mall and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	2,943,958,839,977	3,208,720,342,821
PT Wahana Usaha Makmur and subsidiaries	Jakarta	Real Estate	--	100.00%	--	1,459,995,212,085	1,724,714,244,769
PT Almaron Perkasa and subsidiaries	Jakarta	Real Estate	--	100.00%	2005	1,442,160,243,740	1,706,872,089,223
PT Agung Indah Selaras	Jakarta	Real Estate and Urban Development	--	100.00%	--	600,000,000	--
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	100.00%	2013	206,854,857,650	259,062,090,279
PT Prima Aman Sarana	Jakarta	Services	--	100.00%	--	164,068,904,299	139,139,604,503
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	100.00%	2013	93,749,403,105	36,470,032,019
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2014	63,292,722,635	22,733,502,448
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	2014	42,872,215,170	19,338,125,177
PT Lipposindo Abadi and subsidiaries	Jakarta	Trading	--	100.00%	--	238,141,093,715	238,242,381,539
PT Kemuning Satiatama and subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,228,625,642	233,329,575,466
PT Megachandra Karyaalestari	Jakarta	Trading	--	100.00%	1992*	189,593,586	283,171,674
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	569,116,944	569,474,944
PT Sentrakharisma Indah and subsidiary	Jakarta	Services	--	100.00%	--	2,170,538,384	2,171,594,120
PT Sentra Goldhill Business Park	Jakarta	Services	--	90.00%	--	--	--
PT Carakatama Dirgantara and subsidiary	Jakarta	Trading	--	100.00%	--	68,245,497,803	68,923,066,067
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	68,231,377,317	68,908,990,902
PT Ariasindo Sejati and subsidiaries	Jakarta	Trading and Services	--	95.00%	--	177,413,317,857	182,440,215,774
PT Unitech Prima Indah and subsidiary	Tangerang	Real Estate	--	94.69%	2004	191,118,316,350	189,416,530,150
PT Karya Cipta Pesona	Medan	Accommodation service provider	--	94.69%	2014	63,610,147,085	68,932,342,486
PT Puri Istana Megah and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	966,659,537	647,400,000
PT Pusaka Sumber Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	772,800,000	591,225,000
PT Metropolitan Leisure Corporation and subsidiaries	Jakarta	Trading and Services	--	100.00%	--	41,829,426,897	38,834,979,960
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	136,323,733	139,767,149
PT Graha Tata Cemerlang Makassar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	38,540,640,498	35,542,419,390
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	257,117,145	257,117,145
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003	2,895,674,245	2,895,674,245
PT Kanunia Persada Raya and subsidiary	Tangerang	Trading	--	100.00%	--	91,800,608,041	86,368,298,496
PT Pendopo Niaga	Malang	Real Estate	--	100.00%	2004	91,800,608,041	86,368,298,496
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	19,428,420	19,730,420
PT Bathara Brahma Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*	4,738,419,603	4,790,614,247
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	498,249,006	344,735,579
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	19,969,781,422	113,543,879
PT Karunia Alam Damai and subsidiary	Jakarta	Trading	--	100.00%	--	211,595,567,241	203,190,705,028
PT Jagatpertala Nusantara	Depok	Real Estate	--	100.00%	2004	211,595,567,241	203,190,705,028
PT Muliamukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	9,920,861,200	--
PT Kemang Village and subsidiaries	Jakarta	Trading	--	100.00%	--	289,096,555,643	281,636,959,741
PT Menara Bhumimegah and subsidiaries	Jakarta	Services	--	100.00%	2005	189,593,697,806	183,324,266,430
PT Jaya Usaha Prima and subsidiary	Jakarta	Real Estate	--	99.90%	--	124,493,166,299	118,223,401,559
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	124,491,194,299	118,221,429,559
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	100,018,094,113	98,826,140,559
PT Menara Perkasa Megah and subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	479,910,915,550	501,976,724,625
PT Pelangi Cahaya Intan Makmur and subsidiaries	Surabaya	Trading	--	85.00%	--	390,246,321,292	412,311,793,261
PT Surya Mitra Jaya and subsidiary	Sidoarjo	Trading and Services	--	85.00%	2005	390,417,987,985	391,444,673,035
PT Citra Harapan Baru	Surabaya	Accommodation	--	87.50%	--	2,000,000,000	2,000,000,000
PT Buana Mediatama	Tangerang	Real Estate and Urban Development	--	100.00%	--	599,000,000	559,800,000
PT Niaga Utama	Jakarta	Trading	--	100.00%	--	100,100,000	100,750,000
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--	1,887,217,700	1,887,217,700
PT Kreasi Megatama Gemilang and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Industri, Agrobisnis, Transportation, Trading and Services	--	100.00%	--	1,092,918,732,752	1,004,411,143,767
PT Lippo Malls Indonesia and subsidiaries (2.73% ownership in PT Lippo Cikarang Tbk)	Tangerang	Services	--	100.00%	2002	1,100,977,041,151	1,012,073,038,335
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	16,004,202,395	5,494,973,738
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	79,428,997,926	79,581,597,600
PT Mulia Citra Abadi and subsidiaries	Yogyakarta	Development, Trading, Printing, Land Transport, Industri, Agriculture and Services	--	100.00%	2012	532,857,702,550	498,831,588,231
PT Mulicipta Sarana Sukses 2)	Yogyakarta	Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Manunggal Megah Serasi 2)	Yogyakarta	Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	600,000,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Andhikarya Sukses Pratama <sup>2)</sup>	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	600,000,000
PT Nusa Bahana Semesta	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Sky Parking Indonesia and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	74,632,251,189	43,855,908,044
PT Sky Parking Nusantara and subsidiary <sup>2)</sup>	Tangerang	Development, Trading and Services	--	70.00%	--	74,631,827,189	43,855,233,044
PT Sky Parking Utama <sup>2)</sup>	Tangerang	Development, Trading and Services	--	70.00%	2015	47,593,691,555	43,853,632,333
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	2014	27,035,055,801	33,836,430,746
PT Gayana Sumber Cipta and subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	707,872,424	709,550,000
PT Gaharu Alam Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	550,887,500	552,550,000
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	550,887,500	552,550,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	549,287,500	550,950,000
PT Lembayung Karya Nirwana	Jakarta	Development, Trading and Services	--	100.00%	--	557,872,424	559,550,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	557,872,424	559,550,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	251,970,390,913	251,476,498,945
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	100.00%	--	1,303,083,288	1,303,083,288
PT Asia Premier Property <sup>1)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	2,000,000,000	--
PT Saputra Karya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Surabaya	Real Estate and Urban Development	--	100.00%	--	249,964,652,709	124,395,714,267
PT Grand Provita and subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	462,996,900	464,646,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	5,348,100	5,348,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	589,122,400	14,122,400
PT Anugerah Bahagia Abadi and subsidiaries	Jakarta	Real Estate	--	100.00%	--	529,724,252,485	527,642,541,736
PT Internusa Prima Abadi	Jakarta	Real Estate	--	85.00%	--	529,721,301,616	527,639,590,865
PT Bangun Bina Bersama and subsidiary	Jakarta	Real Estate	--	85.00%	--	529,235,784,118	527,154,073,365
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	85.00%	--	157,402,455,322	157,058,282,729
PT Mahakaya Abadi	Tangerang	Real Estate	--	100.00%	--	474,695,600	477,345,600
PT Persada Mandiri Dunia Niaga and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	--	100.00%	--	81,220,981,456	83,956,585,097
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--	4,950,000,000	4,950,000,000
PT Gapura Sakti Prima and subsidiaries	Jakarta	Real Estate	--	100.00%	--	66,532,454,927	69,175,797,596
PT Menara Megah Tunggal and subsidiary	Jakarta	Real Estate	--	100.00%	--	66,397,809,714	69,040,432,223
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	66,227,377,300	68,870,925,808
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--	522,480,130	522,480,130
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	644,425,000	645,075,000
PT Direct Power and subsidiaries	Bogor	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	2007	125,923,539,554	125,337,920,962
PT Mitra Mulia Kreasi and subsidiary	Jakarta	Development, Industri, Mining, Agrobisnis, Transportation and Services	--	80.00%	--	43,386,236,782	42,679,605,288
PT Bellanova Country Mall	Bogor	Development, Trading and Services	--	80.00%	2005	43,296,306,781	42,589,675,288
PT Tirta Sentosa Dinamika <sup>2)</sup>	Tangerang	Development, Printing, and Services	--	100.00%	--	600,000,000	600,000,000
PT Pinus Permai Sejahtera <sup>2)</sup>	Cianjur	Development, Printing, and Services	--	100.00%	--	16,167,177,880	15,762,983,041
PT Emas Makmur Cemerlang and subsidiary	Jakarta	Development, Printing, and Services	--	100.00%	--	11,045,800,738	10,887,100,000
PT Sarana Global Multindo and subsidiaries	Jakarta	Development, Transportation, Perdagangan and Services	--	100.00%	--	559,117,286,047	575,157,607,960
PT Guna Sejahtera Karya	Jakarta	Development, Industri, Agrobisnis, Landscaping and Services	--	100.00%	--	420,626,692,215	427,127,204,143
PT Citra Sentosa Raya and subsidiaries	Jakarta	Development, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	--	558,444,335,781	572,547,649,912



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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Gading Nusa Utama	Jakarta	Trading, Development, Industri, Agrobisnis, Landscaping and Services Investment	--	100.00%	--	19,061,713,333	19,076,707,333
Rosenet Limited**** and subsidiary	British Virgin Island	Investment	--	100.00%	--	537,901,284,448	571,054,888,841
Sea Pejaten Pte. Ltd****	Singapore	Investment	--	100.00%	--	41,909,406,632	44,650,214,701
Continental Investment Limited****	Malaysia	Investment, Trading and Services	--	100.00%	--	27,079,123	28,739,537
PT Sandiego Hills Memorial Park and subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	97,775,000	596,305,567,169
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	97,293,558,377	80,393,041,067
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	581,392,437	581,730,437
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,452,608,001	2,455,091,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services	--	100.00%	--	2,579,391,024	2,579,391,024
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Alona Griya Utama and subsidiary	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,928,209,421	4,936,565,421
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,919,073,508	4,918,797,508
PT Kreasi Ciptaprima Gemilang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,000,000	73,000,000
PT Manikam Mutu Prima and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	125,750,000	60,251,000
PT Holland Village Manado	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	66,200,000	69,200,000
PT Wismacahaya Sentosa Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Ciptaindah Selaras Persada	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Asri Griya Terpadu and subsidiary <sup>2)</sup>	Tangerang	Development, Trading, Printing and Services	--	85.00%	--	61,471,893,925	49,990,000,000
PT Asri Griya Utama	Tangerang	Development, Trading, Printing and Services	--	85.00%	--	369,582,916,480	1,673,497,537
PT Cakrawala Semesta Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	585,582,000	586,232,000
PT Sarana Sentosa Propertindo	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,298,983,607	6,938,039,595
PT Bahana Megah Pratama and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	527,041,443	588,350,000
PT Bahana Perisai Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	567,349,935	567,349,935
PT Cahaya Puspita Raya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	588,350,000
PT Karyaalam Indah Lestari <sup>2)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Prakarsa Dinamika Unggul <sup>2)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Setra Bumi Utama <sup>2)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	587,350,000	588,000,000
PT Taruna Multi Utama <sup>2)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,978,830,000	1,979,500,000
PT Grahata Asri Makmur	Tangerang	Development, Trading, and Services	--	100.00%	--	624,583,288	624,583,288
PT Lippo Cikarang Tbk and subsidiaries	Bekasi	Real Estate	--	54.37%	1989	5,626,759,922,158	5,476,757,336,509
PT Great Jakarta Inti Development and subsidiary	Bekasi	Town Management and Real Estate	--	54.37%	1992	434,029,379,285	399,691,712,048
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	18,426,263,214	17,649,902,438
PT Tunas Pundi Bumi	Bekasi	Town Management	--	54.37%	2010	94,720,131,307	69,213,327,034
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,785,787,134	26,768,406,656
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	609,184,288	611,000,223
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	3,728,708,611	3,848,349,610
PT Chandra Mulia Adhitharma	Bekasi	Property Management	--	54.37%	2011	32,677,607,751	26,037,970,359
PT Tirta Sari Nirmala	Bekasi	Water Treatment	--	54.37%	2011	73,155,991,293	35,608,402,065
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2014	208,500,977,059	197,446,696,592
PT Swadaya Teknopolis dan and subsidiaries	Bekasi	Real Estate	--	54.37%	2009	170,100,001,000	170,100,001,000
Premium Venture International Ltd and subsidiary	British Virgin Island	Investment	--	54.37%	2015	167,426,688,280	167,426,688,280
Intellitop Finance Ltd	British Virgin Island	Investment	--	28.12%	2014	445,264,092,944	374,224,622,985
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2014	147,982,000	147,982,000
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009	3,428,982,840	3,432,732,840

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# PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

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(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Cahaya Ina Permai and subsidiaries	Bekasi	Real Estate	--	54.37%	--	278,903,113,560	279,139,052,611
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services dan Jasa	--	54.37%	--	55,558,026,181	31,696,793,617
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	601,482,420	598,003,173
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	2015	49,736,640,146	49,734,869,396
PT Mega Kreasi Teknika	Bekasi	Building	--	54.37%	--	357,180,022	155,198,464
PT Astana Artha Mas	Tangerang	Construction	--	54.37%	--	155,659,544,613	155,665,273,863
PT Mega Kreasi Nusantara Teknologi	Bekasi	Real Estate	--	54.37%	--	2,998,300,000	3,000,000,000
PT Pondera Prima Sarana	Tangerang	Real Estate	--	54.37%	--	14,079,112,000	14,086,542,000
PT Telaga Banyu Murni and subsidiary	Tangerang	Real Estate	--	54.37%	--	42,024,001,800	42,052,164,000
PT Karimata Alam Damai	Tangerang	Real Estate	--	54.37%	--	55,921,151,800	55,921,151,800
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	--	5,420,014,666	9,992,431,270
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	--	97,512,558,968	98,888,412,985
PT Megakreasi Cikarang Asri	Bekasi	Real Estate	--	40.78%	2015	32,945,153,778	33,000,800,000
PT Megakreasi Proportindo Utama	Bekasi	Real Estate	--	40.78%	--	68,785,034,476	67,627,567,693
PT Megakreasi Cikarang Realtindo *)	Bekasi	Development, Trading, and Services Marketing and Building	--	54.37%	--	10,266,778,578	7,385,268,997
PT Mahkota Sentosa Utama *)	Bekasi	Management Investment, Trading and Services Healthcare Services	--	54.37%	--	1,246,050,000	1,250,000,000
PT Megapratama Karya Persada and subsidiaries	Tangerang	Investment, Trading and Services Healthcare Services	100.00%	--	--	6,664,259,980,561	5,142,753,364,187
PT Siloam International Hospitals Tbk and subsidiaries	Tangerang	Healthcare Services	--	61.82%	2010	3,305,858,878,000	2,986,270,148,106
PT Aritasindo Permaisemesta	Jakarta	Development, Mining, Agriculture Land Transport, Printing and Industry	--	61.82%	--	64,221,747	76,559,368
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Land Transport, Workshops, Printing, Agriculture, Mining and Services	--	61.82%	--	519,803,207	600,000
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services Healthcare Services	--	61.82%	--	446,884,661	9,138,115
PT Nusa Medika Perkasa	Jakarta	Healthcare Services	--	50.45%	--	961,248,650	932,687,770
PT Siloam Graha Utama and subsidiary	Jakarta	Development, Transportation, Trading and Services Healthcare Services	--	61.82%	--	101,895,978,125	119,221,333,904
PT East Jakarta Medika	Bekasi	Healthcare Services	--	56.13%	2002	101,881,819,612	119,214,480,391
PT Guchi Kencana Emas and subsidiary	Jakarta	Development, and Services Healthcare and Pharmacy	--	61.82%	--	78,357,259,109	80,468,088,384
PT Golden First Atlanta	Jambi	Healthcare and Pharmacy	--	51.31%	2008	78,356,125,591	80,465,849,866
PT Prawira Tata Semesta and subsidiary	Jakarta	Trading, Development, Industry, Mining, Land Transportation, Agriculture, Printing, Workshop and Services except Services of Legal and Tax	--	61.82%	--	208,547,878,543	227,620,609,168
PT Balikpapan Damai Husada	Balikpapan	Healthcare including Hospital, Clinic, Health Centre, Polyclinic and Other related Services	--	49.21%	2007	169,371,985,039	188,450,190,279
PT Siloam Emergency Services	Tangerang	Healthcare Services	--	61.82%	2013	1,018,111,487	2,611,998,278
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	--	61.82%	2013	1,402,502,121	3,469,450,033
PT Pancawarna Semesta and subsidiary	Tangerang	Trading, Development, Printing and Services Healthcare Services	--	61.82%	--	64,360,037,857	67,236,534,472
PT Diagram Healthcare Indonesia	Depok	Healthcare Services	--	49.46%	2006	33,818,143,091	36,679,652,912
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Development, Printing and Services Healthcare Services	--	61.82%	--	1,205,502,721	1,012,776,138
PT Brenada Karya Bangsa	Tangerang	Trading, Development, Printing and Services Healthcare Services	--	61.82%	--	594,553,333	594,998,333
PT Harmoni Selaras Indah	Tangerang	Trading, Industry Printing and Services Perindustrian dan Jasa	--	61.82%	--	594,220,000	594,665,000
PT Kusuma Prima dana and subsidiaries	Tangerang	Trading, Industry Printing	--	61.82%	--	86,672,025,047	144,276,175,897
PT Adijaya Buana Sakti and subsidiaries	Tangerang	Trading, Industry Printing Workshop Land Transportation, Printing and Services	--	49.46%	--	86,671,405,047	144,275,110,897
PT Siloam Sumsel Kemitraan and subsidiary	Tangerang	Trading, Industry and Services Healthcare Services	--	60.81%	--	8,000,678,670	7,991,123,670
PT RS Siloam Hospitals Sumsel	Palembang	Healthcare Services	--	54.00%	2012	86,669,876,099	145,272,691,949
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	61.82%	--	1,000,525,300	1,000,970,300

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	61.82%	--	594,220,000	594,665,000
PT Sembada Karya Megah	Tangerang	Trading, Industry and Services	--	61.82%	--	602,221,157	602,666,157
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	61.82%	--	5,942,200,000	594,665,000
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	61.82%	--	4,984,503,333	4,984,948,333
PT Tunggal Pilar Perkasa and subsidiaries	Tangerang	Development, Trading, Real Estate, Printing, Industry, Agribusiness, and Services	--	61.82%	--	1,320,272,761,336	1,104,842,861,746
PT Tirtasari Kencana	Serang	Development, Trading, and Services	--	61.82%	--	1,146,614,218	1,129,177,218
PT Gramari Prima Nusa	Medan	Development, Trading, and Services	--	61.82%	2014	132,536,312,953	142,285,912,947
PT Krisolis Jaya Mandiri	Kupang	Healthcare Services	--	61.82%	2014	189,757,104,377	135,816,231,542
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	61.82%	--	7,185,911,032	7,186,262,922
PT Agung Cipta Raya	Tangerang	Healthcare Services	--	61.82%	--	965,780,000	964,225,000
PT Bina Cipta Semesta	Padang	Healthcare Services	--	61.82%	--	998,453,474	998,898,474
PT Mega Buana Bhakti	Bangka	Trading, Industry and Services	--	61.82%	--	7,991,308,336	6,289,590,225
PT Taruna Perkasa Megah	Yogyakarta	Trading, Industry and Services	--	61.82%	--	108,622,860,704	96,121,791,102
PT Tataka Bumi Karya	Bogor	Trading, Industry and Services	--	61.82%	--	22,140,591,003	845,251,870
PT Tataka Karya Indah	Bandung	Trading, Industry and Services	--	61.82%	--	853,775,252	825,433,327
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry and Services	--	61.82%	--	14,539,528,553	12,240,837,850
PT Koridor Usaha Maju and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	61.82%	--	504,494,600,950	480,847,930,537
PT Medika Sarana Triliansia and subsidiary	Bali	Development, Trading, Printing and Services	--	61.82%	2008	291,390,763,441	266,476,908,793
PT Trisaka Raksa Waluya	Tangerang	Healthcare and Other related Services	--	61.82%	2008	136,045,604,756	137,390,081,888
PT Buana Utama Sejati	Tangerang	Healthcare Service	--	61.82%	--	23,372,794,731	23,370,843,650
PT Sentra Sejahtera Utama	Sorong	Healthcare Service	--	61.82%	--	600,000,000	600,000,000
PT Bumi Unggul Persada	Tangerang	Healthcare Service	--	61.82%	--	644,452,981	641,265,124
PT Berlian Cahaya Indah	Tangerang	Healthcare Service	--	61.82%	2014	77,234,430,162	138,001,094,698
PT Rashal Siar Cakra Medika	Jakarta	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	2008	75,806,642,408	59,415,242,800
PT Mulia Pratama Cemerlang	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	2014	39,865,743,567	3,679,309,300
PT Medika Rescue International (formerly PT Karya Pesona Cemerlang)	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	3,267,915,053	878,649,715
PT Indah Kemilau Abadi	Jember	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	2,495,803,040	657,128,900
PT Persada Dunia Semesta	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	10,465,750,452	2,349,333,094
PT Inti Pratama Medika	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	610,877,342	600,363,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Sentra Sehat Sejahtera	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	2,072,408,873	878,649,715
PT Genta Raya Internusa	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	61.82%	--	612,945,508	600,388,000
PT Sembilan Raksa Dinamika	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	61.82%	--	147,357,646,767	54,795,114,119
PT Saritama Mandiri Zamrud	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	61.82%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	61.82%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	61.82%	--	600,000,000	600,000,000
PT Mahkota Buana Selaras	Tangerang	Development, Trading, Printing, and Services	--	61.82%	--	35,695,009,846	37,690,051,627
PT Lintas Buana Jaya <sup>2)</sup>	Manggarai Barat	Health Center, Clinic, Polyclinic and Other Related Services	--	61.82%	--	45,194,122,437	9,886,018,026
PT Bina Bahtera Sejati <sup>2)</sup>	Bau Bau	Health Center, Clinic, Polyclinic and Other Related Services	--	61.82%	--	42,511,870,096	600,000,000
PT Lintang Laksana Utama <sup>2)</sup>	Lubuk Linggau	Health Center, Clinic, Polyclinic and Other Related Services	--	61.82%	--	600,000,000	600,000,000
PT Ciptakarya Tirta Cemerlang <sup>2)</sup>	Tangerang	Health Center, Clinic, Polyclinic and Other Related Services	--	61.82%	--	600,000,000	600,000,000
PT Eramulia Pratamajaya and subsidiaries	Jakarta	Healthcare Service	99.99%	0.01%	--	1,251,575,212,934	1,215,478,000,217
PT Solafide Unggulan Prima	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	50,000,000,000	--
PT Pradamas Graha Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	76,552,500	76,552,500
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	372,715,484,648	373,898,296,232
PT Sentra Tata Prima	Surabaya	Development, Transportation, Trading, and Services	--	100.00%	--	3,358,024,027	3,357,430,094
PT Sentra Sarana Karya (formerly PT Siloam Sarana Karya)	Makassar	Development, Transportation, Trading, and Services	--	100.00%	--	13,782,951,166	3,357,064,837
PT Sarana Dinamika Perkasa (formerly PT Siloam Dinamika Perkasa)	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	129,156,591,156	133,833,329,993
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	7,397,737,370	7,397,737,370
PT Buana Mandiri Selaras	Jakarta	Development and Services	--	100.00%	--	475,178,547,994	472,605,668,559
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining	0.01%	99.99%	--	3,593,142,420	3,613,672,920
PT Kalanusa Intan Cemerlang and subsidiary	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	4,259,900,000	4,259,900,000
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Cahaya Jaya Raya	Tangerang	Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Waliya Graha Loka	Tangerang	Development, Printing and Services	--	100.00%	--	173,100,709,139	135,848,491,259
PT Nusantara Indah Semesta	Tangerang	Trading and Services	--	100.00%	--	26,555,587,757	22,996,589,617
PT Magenta Sinar Abadi	Tangerang	Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pesona Puspita Gemilang	Tangerang	Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Caraka Cipta Sejahtera	Tangerang	Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Tiara Permata Gemilang	Tangerang	Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Sep 30, 2016 Rp	Dec 31, 2015 Rp
PT Berkas Talenta Unggul <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Laskar Unggulan Prima <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentana Prima Jaya <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Buana Digdya Sejahtera <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Abadi Jaya Sakti and subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	577,031,300
PT Tigamitra Ekamulia and subsidiaries	Jakarta	General Restaurant, Café and Catering	0.01%	99.99%	1998*	520,920	520,920
PT Shimatama Graha	Jakarta	Hotel Management	--	100.00%	1989	10,603,951,766	10,788,591,967
PT Aryaduta International Management and subsidiaries	Jakarta	Services	--	100.00%	1998	10,603,951,766	10,788,591,967
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	571,460,000	583,898,000
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	551,158,500	565,890,500
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	25,209,815,131	17,958,309,858
PT Aryaduta Makassar Management	Jakarta	Services	--	100.00%	--	577,200,000	577,200,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	5,179,354,494	4,494,236,472
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	580,506,500	580,506,500
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Lippo Hotel Indonesia and subsidiaries	Tangerang	Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Aryaduta Kuta Bali	Badung	Tourism	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Gernerlap Abadi	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Lippo Horesi Indonesia	Tangerang	Development, Trading, and Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Mega Indah Gemilang and subsidiaries <sup>2)</sup>	Tangerang	Trading, Development, Industry, Printing and Services	99.99%	0.01%	--	52,082,142,538	20,000,000,000
PT Karyaindah Cipta Prima <sup>2)</sup>	Tangerang	Trading, Development, Industry, Printing and Services	0.01%	99.99%	--	6,839,762,505	600,000,000
PT Sunshine Prima Utama and subsidiary <sup>2)</sup>	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	--	30,156,164,097	20,000,000,000
PT Sunshine Food International <sup>2)</sup>	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	--	29,906,164,097	20,000,000,000
PT Kreasi Tunas Bangsa and subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	16,935,142,319	1,203,833,288
PT Prima Cipta Lestari <sup>1)</sup>	Tangerang	Trading, Agriculture Transportation and Mining	--	100.00%	--	16,935,141,319	--
PT Maxx Food Pasifik <sup>2)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Graha Jaya Pratama and subsidiaries	Tangerang	Real Estate	100.00%	--	--	1,838,454,693,723	1,788,869,823,183
PT Tataguna Cemerlang	Jakarta	Trading Real Estate and Development	--	100.00%	--	100,000,000	100,000,000
PT Aresta Amanda Lestari (0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	2,002,481,765	1,777,668,968
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	21,931,961,150	19,461,698,851
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	30,078,878,089	26,690,706,052
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	29,146,406,103	25,866,693,677
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	21,929,087,298	19,459,862,937
PT Nuansa Indah Lestari and subsidiaries	Jakarta	Trading	--	100.00%	--	241,238,390,090	217,811,741,232
PT Metropolitan Permaisemesta and subsidiaries	Jakarta	Trading	--	89.74%	--	244,904,823,190	221,477,872,332
PT Mulia Sarana Sakti	Makassar	Trading	--	89.74%	--	512,000,000	512,000,000
PT Makassar Permata Sulawesi (32.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	89.74%	--	240,235,512,812	216,808,561,954
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	77.56%	--	740,765,879,405	680,755,162,289
PT Gowa Makassar Tourism Development Tbk and subsidiaries	Makassar	Real Estate	4.92%	49.05%	1997	1,231,509,322,090	1,273,990,253,786
PT Kenanga Elok Asri and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	53.97%	--	251,466,097,030	252,178,148,189
PT Wahana Puspita Gemilang	Makassar	Development, Trading, Printing and Services	--	53.97%	--	12,502,232,537	--
PT Krisanta Esa Maju	Tangerang	Development, Trading, Printing and Services	--	53.97%	--	1,074,403,050	1,074,461,825
PT Griya Megah Sentosa	Makassar	Development, Trading, Printing and Services	--	53.97%	--	7,159,575,311	7,158,510,233
PT Griya Eksotika Utama	Makassar	Development, Trading, Printing and Services	--	53.97%	--	175,649,258	178,369,707

\* Liquidated

\*\* Transferred

\*\*\* Functional Currency is USD

\*\*\*\* Functional Currency is SGD

1) Established in 2016

2) Established in 2015

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On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, both subsidiaries, disposed 75,300,000 and 17,500,000, respectively, share ownership in PT Siloam International Hospitals Tbk (SIH), a subsidiary, with the total price of Rp1,136,800,000,000. Upon the disposal, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp1,000,581,189,869 (see Note 32).

On February 12, 2015, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired 25% share ownership in PT Wahana Usaha Makmur (WUM), a subsidiary, from PT Mahanaim with acquisition cost of Rp15,334,000,000. At acquisition date WJP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp43,851,181,695 (see Note 32).

On February 23, 2015, WJP, a subsidiary, acquired all shares ownership in PT Emas Makmur Cemerlang (EMC) (through 99.99% direct ownership and 0.01% indirect ownership of PT Maharama Sakti) with acquisition cost of Rp11,000,000,000. At the acquisition date, EMC has not yet started operation and therefore, recorded as an asset acquisition.

On June 12, 2015, PT Kuta Beach Paragon (KBP) and PT Primakreasi Propertindo (PKP), subsidiaries, acquired 13.5% shares ownership in PT Graha Buana Utama from PT Mahanaim with acquisition cost of Rp25,358,527,564. At the acquisition date, KBP and PKP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp22,988,443,294 (see Note 32).

On June 29, 2015, PT Swadaya Teknopolis, a subsidiary, acquired all shares ownership in Premium Venture International Ltd (PVIL), with acquisition cost of Rp170,100,000,000. This transaction is a business combination (see Note 48). PVIL is the parent entity of Intellitop Finance Ltd with the ownership of 51.72%.

On January 20, 2016, PT Kreasi Tunas Bangsa, a subsidiary, acquired all shares ownership in PT Prima Cipta Lestari (through 75% direct ownership and 25% indirect ownership of PT Mega Indah Gemilang) with acquisition cost of Rp4,700,000,000. This transaction is a business combination (see Note 48).

On July 21, 2016, PT Sentra Dwimandiri, a subsidiary, acquired all shares ownership in PT Pratama Agung Indah (PAI) (through 99.99% direct ownership and 0.01% indirect ownership of PT Prudential Development) with acquisition cost of Rp60,000,000. At the acquisition date, PAI has not yet started operation and therefore, recorded as an asset acquisition.

On September 21, 2016, PT Megapratama Karya Persada, a subsidiary, disposed 104,049,000 (9%) share ownership in SIH, a subsidiary, to Prime Health Company Limited, a third party, with the total price of Rp1,196,563,500,000. After the disposal, the Group share ownership in SIH decreased from 70.82% to 61.82%.

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**1.d. Board of Commissioners, Directors, Audit Committee and Employees**

Based on Partial Deeds of Annual General Meeting of Stockholders No. 149 dated August 31, 2016 and No. 30 dated July 3, 2015 which both were made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the composition of the Company's Board of Commissioners and Directors as of September 30, 2016 and December 31, 2015 are as follows:

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>Board of Commissioners:</b>		
President Commissioner	Theo L. Sambuaga	Theo L. Sambuaga
Vice President Commissioner	Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	Agum Gumelar	Agum Gumelar
Independent Commissioner	Farid Harianto	Farid Harianto
Independent Commissioner	Muladi	Muladi
Independent Commissioner	Sutiyoso	Sutiyoso
Commissioner	--	Tanri Abeng
Commissioner	--	Viven Gouw Sitiabudi

\* also as Independent Commissioner

**Directors:**

President Director	Ketut Budi Wijaya	Ketut Budi Wijaya
Director	Tjokro Libianto	Tjokro Libianto
Director	Johanes Jany	Johanes Jany
Director	Richard Setiadi	Stephen Choo Kooi Yoon
Director	Chan Chee Meng	Ninik Prajitno
Director	Lee Heok Seng	Rahmawaty
Independent Director	Jenny Kuistono	Jenny Kuistono
Independent Director	Alwi Rubidium Sjaaf	Alwi Rubidium Sjaaf

The Company's Audit Committee composition as of September 30, 2016 and December 31, 2015 are as follows:

**Audit Committee:**

Chairman	Muladi
Members	Herbudianto Achmad Kurniadi

The Company's Corporate Secretary as of September 30, 2016 and December 31, 2015 is Sri Mulyati Handoyo, respectively.

As of September 30, 2016 and December 31, 2015, the Group has 13,762 and 11,200 permanent employees, respectively (unaudited).

**2. Summary of Significant Accounting Policies**

**2.a. Compliance with Financial Accounting Standards (SAK)**

The interim consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI), and regulations in the Capital Market include Regulations of Financial Services Authority/Capital Market and Supervisory Board and Financial Institution (OJK/Bapepam-LK) No. VIII.G.7 regarding guidelines for the presentation of financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statements of the issuer or public company.

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**2.b. Measurement and Preparation of Interim Consolidated Financial Statements**

The interim consolidated financial statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the interim consolidated statements of cash flows. Basis of measurement in preparation of these interim consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The interim consolidated statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The presentation currency used in the preparation of the interim consolidated financial statements is Rupiah which is the functional currency of the Group. Each entity in the Group determines its own functional currency as disclosed in Note 1.c and included in the financial statements of each entity are measured using that functional currency.

The following are revision, amendments and adjustments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the year starting on or after January 1, 2016, are as follows:

Revision

- SFAS No. 110: "Accounting for Sukuk"

Amendments

- SFAS No. 4: "Separate Financial Statements"
- SFAS No. 15: "Investment in Associates and Joint Arrangements"
- SFAS No. 24: "Employee Benefits"
- SFAS No. 65 (Amendment 2015): "Consolidation Financial Statements"
- SFAS No. 66 (Amendment 2015): "Joint Arrangements"
- SFAS No. 67 (Amendment 2015): "Disclosures of Interest in Other Entities"
- IFAS No. 30: "Levies"

Adjustments

- SFAS No. 5: "Operating Segments"
- SFAS No. 7: "Related Party Disclosures"
- SFAS No. 13: "Investment Property"
- SFAS No. 16: "Property and equipment"
- SFAS No. 19: "Intangible Assets"
- SFAS No. 22: "Business Combination"
- SFAS No. 25: "Accounting Policies, Changes in Accounting Estimates and Errors"
- SFAS No. 53: "Share-based Payments"
- SFAS No. 68: "Fair Value Measurement"

The following is the impact of the revision, amendments and adjustments in accounting standards that are relevant and significant to the interim consolidated financial statements of the Group among others:

- SFAS No. 5 (Adjustment 2015): "Operating Segments"  
The impacts of the adjustment of this standard include:
  - Additional disclosure requirements of establishing the criteria for the combine of the operating segments and the brief description of the operating segments have been combined and the assessed economic indicators in determining of the combined operating segments have similar economic characteristics,
  - Organize disclosures of the reconciliation of the reportable total assets segments to the entity's assets only if the assets segment are regularly provided to the chief operating decision maker, and



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- Changes previous terminology is "reportable segments of the entity" to "the entity's reportable segments" and "based on differences in products and services" to "based on products and services".

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 7 (Adjustment 2015): "Related Party Disclosures"**

The impacts of the adjustment of this standard include:

- Adding requirements related parties that an entity related to the reporting entity when the entity, or any member of a group of which the entity is part of the group, provides key management personnel services to the reporting entity or to the parent of the reporting entity,
- Requiring that a reporting entity disclose the payment of key management personnel services provided by the entity management and clarifies that the reporting entity is not required to disclose the compensation paid of the entity management to its employees or Director, and
- Changing the terminology of "the effective date" to be "effective date and transitional requirement".

The Group had adopted the adjustment standard and had completed the requested requirements.

- **SFAS No. 13 (Adjustment 2015): "Investment Property"**

Adjustment to this standard emphasize the difference between investment property and owner-occupied property and emphasize the need for consideration on the determination of whether the acquisition of the investment property is classified as an asset acquisition or a business combination within the scope of SFAS No. 22.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 15 (Amendment 2015): "Investment in Associates and Joint Arrangements"**

Adjustment to this standard add that an entity which is not an investment entity having an interest in investment entity and joint venture that is investment entity, then when applying the equity method can maintain the fair value measurement that applied by the investment entity an associate or joint venture in subsidiary where the investment entity an associate or joint venture are concerned.

The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 16 (Adjustment 2015): "Property and equipment"**

Adjustment to this standard add an explanation that:

- The reduction is expected to occur in the future on the selling price of produced goods using a property and equipment indicates presumption of the technical or commercial obsolescence of the assets, and
- Depreciation method based on the income generated by activities using an asset is not appropriate.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

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- **SFAS No. 19 (Adjustment 2015): "Intangible Assets"**

The Impacts of the adjustment of this standard include:

- Provide additional explanation that the reduction is expected to occur in the future on the selling price of produced goods is using an intangible asset indicates presumption of the technical or commercial obsolescence of the assets,
- There is a presumption that the usage of amortization methods based on the income generated by activities using the intangible assets allegedly not appropriate because it reflects factors that are not related directly to the usage of economic benefits contained in the intangible assets,
- Basic selection of the intangible assets amortization is if it reflects the pattern of the estimated economic benefits of the asset, and
- In circumstances where the dominant inherent barrier factor in an intangible asset is the achievement of revenue threshold, then the generated revenue can be used as a proper basis for amortization.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 22 (Adjustment 2015): "Business Combination"**

The adjustments of this standard add the explanation that:

- SFAS No. 22 is not applied in accounting for the forming of a joint arrangement in the financial statements of joint arrangement its self,
- The obligation to pay contingent consideration that meet the definition of financial instruments classified as financial liability or equity, and
- The entire contingent consideration which is not an equity, both financial and non-financial are measured at fair value at each reporting date, with the changes in fair value are recognized in profit or loss.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 24 (Amendment 2015): "Employment Benefits"**

The amendment to this standard specifies that attribution dues from workers or third parties depend on whether the contribution rate is set based on the number of services year. If the dues based on the number of services year, then the dues attributable to the period of services using the same attribution method that required. If the amount of dues does not depend on the number of services year then the dues is recognized as a reduction of the cost of services in the period when the related services provided by workers.

The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- **SFAS No. 25 (Adjustment 2015): "Accounting Policies, Changes in Accounting Estimates and Errors"**

Change in SFAS No. 25 (Adjustment 2015), mainly to incorporate the changes of editorial in the previous standard.

The adoption of the adjustment of the standard had no material effect to the interim consolidated financial statements.

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- SFAS No. 65 (Amendment 2015): "Consolidation Financial Statements"  
The amendment to this standard provides criteria that an investment entity consolidated its subsidiaries only if both of the following criteria are met:
  - The subsidiaries are not an investment entity, and
  - The main purpose of the subsidiary is to provide services related to investment activities of its investment entity.

The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 66 (Amendment 2015): "Joint Arrangements"  
The amendments to this standard include:
  - That all of the principles for business combinations within the scope of SFAS No. 22 "Business Combinations" and other SFAS include the requirements of disclosures applied to the initial acquisition of the interest in joint operations and the acquisition of additional interest in a joint operation, but if the joint operator retains joint control when it acquired additional interest in a joint operation of the same kind of interest that has been previously owned not remeasured, and
  - This amendment does not apply to (i) the forming of a joint operation if all the parties participated in joint operations only contribute assets or group of assets is not a business for joint operations in its forming and (ii) the acquisition of interests in joint operations when the parties share joint control of the main controller.

The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 67 (Amendment 2015): "Disclosures of Interest in Other Entities"  
The amendment to this standard is to clarify that the scope of the standard is not applied to the separate financial statements that is an investment entity and measure its subsidiaries at fair value through profit or loss.

The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 68 (Adjustment 2015): "Fair Value Measurement"  
Adjustment to this standard is to clarify that the exception portfolio, which allows an entity to measure the fair value of the group's financial assets and financial liabilities on a net basis, applied to all contracts (including non-financial contracts) within the scope of SFAS No. 55.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

**2.c. Principles of Consolidation**

The interim consolidated financial statements include financial statement of the Company and subsidiaries as stated in Note 1.c.

A subsidiary is an entity controlled by the Group, i.e., the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (i.e., substantive rights) are considered when assessing whether the Group controls another entity.

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The Group's interim consolidated financial statements incorporate the results, cash flows, assets and liabilities of the Company and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

A parent prepares interim consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. All intragroup transactions, balances, income, expenses and cash flows are eliminated in full on consolidation to reflect the financial position as a single business entity.

The Group attributed the profit or loss and each component of other comprehensive income to the owner of the parent and non-controlling interests even though the results in the non-controlling interests have a deficit balance. The Group present non-controlling interests in equity in the interim consolidated statement of financial position, separately from the equity owner of the parent.

Changes in the parent's ownership in a subsidiary that do not result a loss of control are equity transactions (i.e., transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interests changed, the Group adjusted the carrying amounts of the controlling interest and non-controlling interests to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the parent.

If the Group loses control, the Group:

- (a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- (b) Derecognizes the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);
- (c) Recognizes the fair value of the consideration received (if any) from the transaction, event or circumstances that result the loss of control;
- (d) Recognizes any retained investment in the former subsidiary at fair value at the date when control is lost;
- (e) Reclassify to profit or loss, or transfer directly to retained earnings if required by other SAKs, the amount recognized in other comprehensive income in relation to the subsidiary;
- (f) Recognizes any resulting difference as a gain or loss in profit or loss attributable to the parent.

**2.d. Transaction and Balances in Foreign Currency**

In preparing interim consolidated financial statements, each of the entity within the Group record by using the currency of the primary economic environment in which the entity operated ("the functional currency"). The functional currency of the Company and most of the subsidiaries is Rupiah.

The functional currency of certain Subsidiaries is foreign currency (see Note 1.c). For presentation purposes of interim consolidated financial statements, assets and liabilities of Subsidiary Pte. Ltd at reporting date are translated using the closing rate at interim consolidated statements of financial position date, while revenues and expenses are translated using average rate for the period. All resulting exchange differences shall be recognized in other comprehensive income.

Transactions during the period in foreign currencies are recorded in Rupiah by applying to the foreign currency amount the spot exchange rate between Rupiah and the foreign currency at the date of transactions. At the end of reporting period, foreign currency monetary items are translated to Rupiah using the closing rate, i.e., middle rate of Bank of Indonesia at September 30, 2016 and December 31, 2015 as follows:

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	September 30, 2016	December 31, 2015
	Rp	Rp
1 USD	12,998	13,795
1 SGD	9,522	9,751
1 EUR	14,579	15,070
100 JPY	12,874	11,452
1 AUD	9,912	10,064

Exchange differences arising on the settlement of monetary items or on translating monetary items in foreign currencies are recognized in profit or loss.

**2.e. Cash and Cash Equivalents**

Cash and cash equivalents are cash on hand, cash in banks (current accounts) and time deposits with maturity period of three months or less at the time of placement that are not used as collateral or are not restricted.

**2.f. Investment in Associates**

Associates are entities which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies (significant influence).

Investment in associates accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income, including those arising from the revaluation of property and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in other comprehensive income.

The Group discontinues the use of the equity method from the date when its investment ceases to be an associate as follows:

- (a) if the investment becomes a subsidiary.
- (b) If the retained interest in the former associate is a financial asset, the Group measure the retained interest at fair value.
- (c) When the Group discontinues the use of the equity method, the Group account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

**2.g. Joint Arrangement**

Joint arrangement is an arrangement of which two or more parties have joint control, i.e., the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group classified joint arrangement as:

(1) Joint Operation

Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operator.

A joint operator recognize in relation to its interest in a joint operation:

- (a) Its assets, including its share of any assets held jointly;
- (b) Its liabilities, including its share of any liabilities incurred jointly;
- (c) Its revenue from the sale of its share of the output arising from the joint operation;
- (d) Its share of the revenue from the sale of the output by the joint operation; and
- (e) Its expenses, including its share of any expenses incurred jointly.

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(2) Joint Venture

Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

A joint venturer recognize its interest in a joint venture as an investment and account for that investment using the equity method.

**2.h. Transaction and Balances with Related Parties**

A related party is a person or an entity that is related to the reporting entity:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) entity, or a member of a group which the entity is part of the group, providing personnel services of the key management to the reporting entity or the parent of the reporting entity; or
  - (viii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions and significant balances with related parties are disclosed in relevant Note.

**2.i. Inventories and Land for Development**

Real estate inventories, which mainly consist of acquisition cost of land under development, residential houses, shophouses, shopping center, office buildings, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

Land for future development of the Group is classified as "Land for Development". Upon the commencement of development and construction of infrastructure, the carrying costs of land will be reclassified to the respective inventory real estate, investment property or property and equipment accounts, whichever is appropriate.

The excess of carrying value of inventories over their estimated recoverable value is recognized as impairment loss under "Provision for Decline in Value of Inventories" in profit or loss.

Inventories of healthcare business (e.g., medicines, medical supplies, food, beverages and others) are carried at the lower of cost and NRV. Cost is determined by using the average method.

Inventories of hospitality business (e.g., food, beverages and others) are carried at the lower of cost and NRV. Cost is determined by using the first-in-first-out method. Allowance for decline in inventory value is provided based on a review of inventory status at the end of period.

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Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. The amount of any write-down of inventories to NRV and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurred. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurred.

**2.j. Prepaid Expenses**

Prepaid expenses are amortized over the period benefitted using straight line method.

**2.k. Investment Property**

Investment properties are properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the daily business activities.

Investment property is recognized as an asset if, and only if it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost, comprises its purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). Transaction costs are included in the initial measurement.

After initial recognition, the Group choose to use cost model and measure its investment property at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Landrights are not depreciated and are carried at costs.

The cost of repairs and maintenance is charged to profit or loss as incurred while significant renovations and additions are capitalized.

Transfer to investment properties if, and only if, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development.

Transfer from investment properties if, and only if, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in profit or loss in the derecognition or disposal period.

**2.l. Property and Equipment**

Property and equipment are initially recognized at cost, which comprises its purchase price and any cost directly attributable in bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

When applicable, the cost may also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

After initial recognition, property and equipment, are carried at its cost less any accumulated depreciation, and any accumulated impairment losses, if any.

Landrights are recognized at its cost and are not depreciated.

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Depreciation of property and equipment starts when its ready for use and its computed by using straight line method based on the estimated useful lives of assets as follows:

	<u>Year</u>
Building, Infrastructure, and Renovations	4 - 40
Parks and Interiors	5
Golf Course and Club House	20
Transportation Equipment and Vehicles	4 - 8
Furniture, Fixtures and Office Equipment	3 - 10
Tools and Medical Equipment	3 - 10
Machinery and Project Equipment	3 - 10
Bowling Machinery	10
Playground Areas	5

The cost of repairs and maintenance is charged to operation as incurred while significant renovations and additions are capitalized. The carrying value of the part replaced was written-off.

Own built property and equipment is presented as part of property and equipment as "Construction in Progress" and is stated at cost. All cost incurred related to the construction of such assets is capitalized as part of cost of construction in progress.

The accumulated costs will be transferred to the respective property and equipment items at the time the asset is completed or ready for use and are depreciated since it operated.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized. At the end of each reporting period, the Group reviews useful life, residual values, and methods of depreciation, and the remaining useful life based on technical condition.

## **2.m. Leases**

Determination of whether a lease agreement or an agreement containing with a lease is a finance lease or an operating lease depends on the substance of transaction rather than the form of the contract at the inception date.

A lease is classified as a finance operating lease if it transfers substantially all the risks and benefits incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and benefits incidental to ownership.

### The Group as lessees:

At the commencement of the lease term under finance lease, the Group recognized assets and liabilities in their statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is practical to determine, if not, the lessee's incremental borrowing rate is used. Initial direct cost of the lessee is added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Group recognizes lease payments as an expense on a straight line basis over the lease term.

### The Group as lessors:

Group recognizes assets under a finance lease as a receivable in the interim consolidated statements of financial position at an amount equal to the net investment in the lease. Collection of lease receivable is treated as principal payments and finance income. The recognition of finance income is based on a pattern reflecting a constant yearic rate of return on Group's net investment in the finance lease as lessor.



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Group presents assets subject to operating leases in the interim consolidated statements of financial position according to the nature of the asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Contingent rents, if any, be recognized as income in the period incurred. Lease income from operating leases is recognized as revenue on a straight line basis over the lease term.

Sale and Leaseback:

Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.
- If the sale and leaseback transaction result in an operating lease and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

**2.n. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred. Borrowing costs may include interest expense, finance charges in respect of finance leases, or exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Capitalization of borrowing costs commences when the Group undertakes activities necessary to prepare the asset for its intended use or sale and expenditures for the asset and its borrowing costs has been incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

**2.o. Impairment of Assets**

At the end of each reporting period, the Group assess whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. Recoverable amount is determined for an individual asset, if it is not possible, the Group determines the recoverable amount of the asset's cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss. An impairment loss recognized in prior period for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

Impairment of goodwill

Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to give benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the

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lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

**2.p. Business Combination**

Business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Component of non-controlling interests is measured either at fair value or at the present ownership instrument's proportionate share in the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. When in prior periods, a change in the value of its equity interest in the acquiree prior to the acquisition date had been recognized in other comprehensive income, that amount shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurred, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

At the acquisition date, goodwill is measured at its cost being the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest, over (b) the net of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously the management reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, be allocated to each of the Group's Cash Generating Units that is expected to benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those Cash Generating Units.

If goodwill has been allocated to Cash Generating Units and certain operation on the Cash-Generating Units is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal. Disposed goodwill is measured on the basis of relative values of the operation disposed of and the portion of the Cash Generating Units retained.

**2.q. Intangible Assets**

Intangible asset is measured on initial recognition at cost. After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

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Intangible asset with indefinite useful life

Intangible asset with indefinite useful life is not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite useful life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortized.

Intangible asset with finite useful life

Intangible asset with finite useful life is amortized over the economic useful life by using a straight-line method (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity).

Software is amortized over the economic useful life with the straight line method based on the estimated useful life for 5 (five) years.

Amortization is calculated so as to write-off the cost of the asset, less its estimated residual value.

**2.r. Employee Benefits**

Short-term Employee Benefits

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short-term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Group recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation is determined by discounting the benefit.

The Group accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefit liability (asset) are recognized in profit or loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Group recognizes an expense and a liability for contribution payable to a defined contribution plan, when an employee has rendered service to the entity during a period.

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Termination Benefits

The Group recognizes a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the Group can no longer withdraw the offer of those benefits; and
- (b) When the Group recognizes costs for a restructuring that is within the scope of SFAS No. 57 and involves payment of termination benefits.

The Group measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

**2.s. Business Combination between Entities Under Common Control**

Business combination of entities under common control transactions, such as transfers of business conducted within the framework of the reorganization of the entities that are in the same group, not a change of ownership in terms of economic substance, so that the transaction can not result in a gain or loss for the Group as a whole or the individual entity within the Group.

Due to business combination transactions of entities under common control does not lead to change in economic substance of ownership on the exchanged asset, liability, shares or other ownership instrument, then the transferred asset or liability (in its legal form) is recorded at its carrying amount as well as a business combination under the pooling of interest method.

An entity that receives the business, in a business combination of entities under common control, recognizes the difference between the amount of the consideration transferred and the carrying amount of each transaction is a business combination of entities under common control in equity under additional paid in capital.

If the entity that received the business, subsequently dispose the business entity acquired previously, the additional paid-in capital recorded before, can not be recognized as a realized gain or loss nor reclassified to retained earning.

**2.t. Revenue and Expense Recognition**

The Group recognizes revenue from the sale of real estate based on SFAS No. 44 "Accounting for Real Estate Development Activities" are as follows:

- (i) Revenues from sales of lots that do not require the seller to construct building are recognized under the full accrual method if all of the following conditions are met:
  - a. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable;
  - b. the selling price is collectible;
  - c. the receivable is not subordinated to other loans in the future;
  - d. The land development process is complete so that the seller has no further obligations related to the lots sold, such as obligation to construct amenities or obligation to build other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law; and
  - e. Only the lots are sold, without any requirement of the seller's involvement in the construction of building on the lots.
- (ii) Revenues from sales of houses, shop houses, and other similar property and related land are recognized under the full accrual method if all of the following conditions are met:
  - a. a sale is consummated;
  - b. the selling price is collectible;
  - c. the seller's receivable is not subject to future subordination against other loans which will be obtained by the buyer; and
  - d. The seller has transferred the risks and benefits of ownership to the buyer through a transaction that is in substance a sale and does not have substantial continuing involvement with the property.

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- (iii) Revenues from sales of shopping center and apartment are recognized using the percentage-of-completion method if all of the following conditions are met:
- a. the construction process has already commenced, i.e., the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
  - b. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable; and
  - c. the amount of revenue and the cost of the property can be reliably estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities that need to be accomplished.

If a real estate sale fails to meet all the criteria of full accrual method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

Cost of land lots sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included in the "Accrued Expenses" account which is presented in the interim consolidated statements of financial position. The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Revenues" in the current period.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

Rental revenue and other services are recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership paid in advance are presented as deferred income and recognized as revenue over the period benefit.

Hotel and restaurant revenues are recognized when the goods or services provided to hotel guests or restaurant visitors. Revenues of tuition are deferred (presented under Deferred Income) and recognized as income over the period of services delivered.

Expenses are recognized as incurred on an accruals basis.

**2.u. Income Tax**

Tax expense is the aggregate amount included in the determination of profit or loss for the period. Current tax and deferred tax are recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

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A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a. the initial recognition of goodwill; or
- b. the initial recognition of an asset or liability in a transaction which is:
  - (i) not a business combination and
  - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is :

- a. not a business combination; and
- b. at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of a deferred tax asset reviewed at the end of each reporting period. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The offset deferred tax assets and deferred tax liabilities if, and only if:

- 1) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 2) the deferred tax assets and the deferred tax liabilities related to income taxes levied by the same taxation authority on either:
  - i. the same taxable entity; or
  - ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The offset current tax assets and current tax liabilities if, and only if, the entity:

- 1) has legally enforceable right to set off the recognized amounts; and
- 2) intends either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

**2.v. Earnings per Share**

Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Group shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effect of all dilutive potential ordinary shares.

**2.w. Treasury Stock**

Treasury stock is recorded at its acquisition cost and presented as a deduction from capital stock under equity section of interim consolidated statements of financial position. The excess of proceed from future re-sale of treasury stock over the related acquisition cost or vice-versa shall be accounted for as an addition to or deduction from additional paid-in capital.

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**2.x. Operating Segment**

Group presented operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the Group.

An operating segment is a component of the entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity);
- whose operating results are regularly reviewed by chief operating decision maker to make decisions about resources to be allocated to the segment and assesses its performance; and
- for which separate financial information is available.

**2.y. Financial Instruments**

**Initial Recognition and Measurement**

The Group recognizes a financial asset or a financial liability in the interim consolidated statements of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures all financial assets and financial liabilities at its fair value. In the case of a financial asset or financial liability is not measured at fair value through profit or loss, fair value is added or reduced with the transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs incurred on acquisition of a financial asset and issuance of a financial liability classified at fair value through profit or loss are expensed immediately.

**Subsequent Measurement of Financial Assets**

Subsequent measurement of financial assets depends on their classification on initial recognition.

The Group classifies financial assets in one of the following four categories:

- (i) Financial Assets at Fair Value Through Profit or Loss (FVTPL)  
Financial assets at FVTPL are financial assets held for trading or upon initial recognition they are designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at their fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

- (ii) Loans and Receivables  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:
- (a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
  - (b) those that upon initial recognition designated as available for sale; or
  - (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial recognition, loans and receivable are measured at amortized cost using the effective interest method.

- (iii) Held-to-Maturity (HTM) Investments  
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

After initial recognition, HTM investments are measured at amortized cost using the effective interest method.

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(iv) Available-for-Sale (AFS) Financial Assets

AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value is recognized on other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets are derecognized. At that time, the cumulative gains losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably at cost.

**Subsequent Measurement of Financial Liabilities**

Subsequent measurement of financial liabilities depends on their classification on initial recognition. The Group classifies financial liabilities into one of the following two categories:

(i) Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at FVTPL are financial liabilities held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial liabilities classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

(ii) Other Financial Liabilities

Financial liabilities that are not classified as financial liabilities at FVTPL are grouped in this category and are measured at amortized cost using the effective interest method.

**Derecognition of Financial Assets and Liabilities**

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or the Group transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. If the Group transfers substantially all the risks and benefits of ownership of the financial asset, the Group derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligation created or retained in the transfer. If the Group neither transfers nor retains substantially all the risks and benefits of ownership of the financial asset and has retained control, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and benefits of ownership of the financial asset, the Group continues to recognize the financial asset.

The Group removes a financial liability from its statements of financial position when, and only when, it is extinguished, i.e., when the obligation specified in the contract was discharged or cancelled or expired.

**Impairment of Financial Assets**

At the end of each reporting period, the Group assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred, if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (loss event), and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.



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The following are objective evidence that a financial asset or group of financial assets is impaired:

- (a) Significant financial difficulty of the issuer or obligor;
- (b) A breach of contract, such as default or delinquency in interest or principal payments;
- (c) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

For investment in equity instrument, a significant and prolonged decline in the fair value of the equity instrument below its cost is an objective evidence of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivable or held-to-maturity investments carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate and recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. The amount of the cumulative loss that is reclassified are the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

**The Effective Interest Method**

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, for example, prepayment, call and similar option, but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

**Reclassification**

The Group shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Group as at fair value through profit or loss. The Group may reclassify that financial asset out of the fair value through profit or loss category if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term. The Group shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

If, as a result of a change in Group's intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value. Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sales or reclassification that are so close to maturity or the financial asset's call date, occurred after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

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**Offsetting a Financial Asset and Financial Liability**

A financial asset and financial liability shall be offset when and only when, the Group currently has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1);
- (ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2); and
- (iii) Unobservable inputs for the assets or liabilities (Level 3).

When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Group uses valuation techniques that appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognized by the Group at the end of the reporting period during which the change occurred.

**Hedging**

The normal course of the Group's business exposes it to currency and interest rate risks. In order to hedge these risks in accordance with the management's written treasury policies, the Group uses derivatives and other hedging instruments. SFAS No. 55 allows 3 types of hedging relationships:

- Fair value hedge;
- Cash flow hedge;
- Hedge of a net investment in a foreign operation.

The Group uses hedge accounting only when the following conditions at the inception of the hedge are satisfied:

- The hedging instrument and the hedged item are clearly identified;
- Formal designation and documentation of the hedging relationship are in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and
- The hedge relationship is expected to be highly effective throughout the life of the hedge.

The above documentation is subsequently updated at each reporting date in order to assess whether the hedge is still expected to be highly effective over its remaining life.

Cash flow hedge the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized (net of tax) in other comprehensive income and accumulated under hedging reserve, and the ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

No adjustment is made to the hedged item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, the related gain or loss previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment in the same period when hedging on forecasted cash flow affect earnings.

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If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group reclassifies the associated gains or losses that were recognized in other comprehensive income to profit or loss as a reclassification adjustment.

**Derivatives**

All derivatives are initially recognized and subsequently carried at fair value. The Group policy is to use derivatives only for hedging purposes. Accounting for derivatives engaged in hedging relationships is described in the above section.

Sometimes, the Group enters into certain derivatives in order to hedge some transactions but the strict hedging criteria prescribed by SFAS No. 55 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognized in profit or loss and accounting for the hedged item follows the Group's policies for that item.

**2.2. Important Estimated Source of Uncertainty and Accounting Considerations**

The preparation of financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting period.

In the preparation of these interim consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilities in financial statements. In addition, there are accounting assumptions on the sources of estimation uncertainty at end of reporting period that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting period.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the interim consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

**i. Source of Uncertainty of Critical Accounting Estimates and Assumptions**

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the interim consolidated financial statements, as follows:

**Allowance for Impairment Losses of Receivable**

In general, the management analyzes the adequacy of the allowance for impairment losses of receivable based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable are carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting period, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Notes 4 and 6).

**Impairment Value of Goodwill**

In estimating the impairment value of goodwill, the Group's management performs analysis and assessment of the ability of the cash generating unit, the change of the operating conditions of acquired entity and transfer of goodwill generating unit. If there are indications of a decrease in the ability of the cash generating unit in generating cash and management believes that the cash generating unit decrease the ability to generate cash, then the management will do the impairment value of goodwill. If there is a change in the operational business units and/ or cash-generating unit has been transferred, the entire value of goodwill previously recorded will be impaired. The carrying value of goodwill is presented in Note 15.

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**Deferred Tax Estimation**

Deferred tax assets recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation (see Note 19.b).

**Useful Lives of Property and Equipment and Investment Property Estimation**

Management makes a yearly review of the useful lives of property and equipment and investment property based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment and investment property, if any, are prospectively treated in accordance with SFAS No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors" (see Notes 13 and 14).

**Post-employment Benefits**

The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate and the salary increase projection rate. Changes in these assumptions will affect the carrying amount of post-employment benefits (see Note 26).

The Group determines the appropriate discount rate at end of reporting period by the interest rate used to determine the present value of future cash outflows expected to settle this obligation. In determining the appropriate level of interest rates, the Company considers the interest rate of government bonds denominated in Rupiah that has a similar period to the corresponding period of obligation.

Other key assumption is partly determined by current market conditions, during the period in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the period.

**Fair Value of Financial Instruments**

If the fair value of financial assets and liabilities recorded in the statements of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

**ii. Important Consideration in the Determination of Accounting Policies**

The following judgment made by management in the application of the Group's accounting policies that have significant effect on the amounts presented in the interim consolidated financial statements:

**Revenue Recognition - Percentage of Completion Method**

Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the cost that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of determination of the estimated percentage of completion and it

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realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting period, in which the material error correction will be carried out retrospectively (see Note 37).

**Revenue Recognition – Professional Fees**

Policy and billing system to the patient is an integral of over all charges consisted of consulting with the doctor, use of drugs and other medical procedures. Above the cost of consulting a doctor, the Hospital performs specific calculations for each doctor, make payments and taxed accordingly every month to the doctor, although a bill to the patient is not fully collectible. Management of the Group considered that there was no agency relationship between the hospital and its doctors, with consideration to the impact of the significant benefits and risks related to the provision of medical services by the doctors to patients. Bills for medical services are recognized as revenue when the recognition criteria are met (see Note 37).

**3. Cash and Cash Equivalents**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Cash</b>		
(include 2016: USD26,984, SGD5,662, EUR5,344, JPY9,739, AUD12,447; 2015: USD26,984, SGD5,262, EUR5,344, JPY9,739, AUD12,447)	8,848,266,496	8,556,332,898
<b>Bank</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	375,982,075,891	158,290,657,963
PT Bank Negara Indonesia (Persero) Tbk	86,303,458,132	88,774,300,403
PT Bank Mandiri (Persero) Tbk	29,428,623,782	14,751,455,330
PT Bank Permata Tbk	25,023,584,991	27,899,048,428
PT Bank Central Asia Tbk	24,900,857,803	42,822,483,055
PT Bank Maybank Indonesia Tbk	14,617,710,369	3,787,230,456
PT Bank Rakyat Indonesia (Persero) Tbk	13,928,133,300	25,482,320,958
PT Bank Mega Tbk	11,222,871,137	10,933,046,807
PT Bank OCBC NISP Tbk	4,684,502,526	3,892,240,627
PT Bank Danamon Indonesia Tbk	2,421,025,150	10,074,461,690
PT Bank Tabungan Negara (Persero) Tbk	1,828,130,877	1,946,972,893
Others (each bellow Rp1 billion)	3,959,431,277	5,272,367,986
<u>Foreign Currencies</u>		
BNP Paribas, Singapore		
USD	137,572,643,141	202,215,222,426
SGD	7,506,987,990	11,932,459,599
PT Bank CIMB Niaga Tbk		
USD	69,673,095,791	5,171,123,626
SGD	10,529,697,314	11,873,673,033
OCBC Bank, Singapore - SGD	59,026,860,003	69,857,090,150

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PT Bank Negara Indonesia (Persero) Tbk		
USD	3,266,181,208	5,673,018,713
SGD	13,836,928,008	14,170,668,870
Credit Suisse, Singapore		
USD	4,636,301,831	5,241,190,472
SGD	6,614,982,153	7,648,698,051
PT Bank OCBC NISP Tbk		
USD	693,018,135	6,759,802,937
SGD	4,799,684,458	736,465,250
EUR	34,670,320	93,782,117
PT Bank ANZ Indonesia		
USD	1,831,013,182	5,690,910,669
SGD	2,272,304,987	3,586,077,645
EUR	1,315,593,273	2,785,627,924
AUD	--	3,586,077,645
PT Bank Mega Tbk		
USD	1,128,481,291	1,198,316,194
SGD	2,233,923,474	2,286,079,338
PT Bank Maybank Indonesia Tbk - USD	3,333,640,201	3,378,228,380
DBS Bank, Singapore		
USD	727,606,983	--
SGD	509,654,576	--
PT Bank Permata Tbk		
USD	--	2,496,802,574
SGD	--	250,493,146
Others (each bellow Rp1 billion)	1,113,458,145	1,604,842,259
<b>Related Party</b>		
PT Bank Nationalnobu Tbk		
Rupiah	295,030,274,100	271,958,357,733
USD	12,998,000	6,897,500
	<u>1,222,000,403,799</u>	<u>1,034,128,492,847</u>
<b>Time Deposits</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	426,940,318,930	477,053,819,549
PT Bank Keb Hana Indonesia	300,000,000,000	120,000,000,000
PT Bank Permata Tbk	60,000,000,000	--
PT Bank Negara Indonesia (Persero) Tbk	37,492,939,715	128,250,300,000
PT Bank Mega Tbk	--	3,000,000,000
<u>Foreign Currencies</u>		
OCBC Bank, Singapore - SGD	--	68,257,000,098
PT Bank CIMB Niaga Tbk - USD	--	120,057,885
	<u>824,433,258,645</u>	<u>796,681,177,532</u>
<b>Total</b>	<u><b>2,055,281,928,940</b></u>	<u><b>1,839,366,003,277</b></u>

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Contractual interest rates and maturity period of the time deposits are as follows:

	September 30, 2016	December 31, 2015
Interest Rate		
Rupiah	3,00% - 6,50%	3,00% - 10,00%
Foreign Currencies	--	0,50% - 3,00%
Maturity Period	0 - 3 months	0 - 3 months

**4. Trade Accounts Receivable**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Urban Development:		
Consumers Financing	327,250,373,175	261,011,608,016
Land Lots	164,300,379,929	162,911,845,467
Residential Houses and Shophouses	51,201,586,015	47,902,306,527
Asset Enhancements	31,590,233,785	26,434,773,131
Memorial Park	18,723,235,636	23,702,794,029
Others	29,379,977,643	18,556,390,817
Subtotal	622,445,786,183	540,519,717,987
Large Scale Integrated Development:		
Apartments	38,657,354,725	4,339,239,387
Asset Enhancements	4,339,239,387	2,672,299,686
Subtotal	42,996,594,112	7,011,539,073
Retail Malls:		
Asset Enhancements	158,951,705,202	123,819,136,187
Shopping Centers	20,060,002,378	20,068,291,250
Subtotal	179,011,707,580	143,887,427,437
Healthcare:		
Inpatient and Outpatient	804,732,771,413	596,132,428,238
Hospitality and Infrastructure:		
Town Management and Water Treatment	172,519,381,627	137,217,716,016
Hotels and Restaurants	17,814,898,962	16,897,138,911
Recreations and Sports	135,640,442	--
Others	2,083,761,373	5,523,680,550
Subtotal	192,553,682,404	159,638,535,477
Property and Portfolio Management:		
Management Fees	135,674,496,379	68,496,531,253
Subtotal Trade Accounts Receivable from Third Parties	1,977,415,038,071	1,515,686,179,465
Less: Allowance for Impairment in Value	(99,957,476,542)	(91,468,709,993)
Total Trade Accounts Receivable from Third Parties - Net	1,877,457,561,529	1,424,217,469,472
<b>Related Parties</b>		
Healthcare:		
Inpatient and Outpatient	8,630,638,672	10,130,038,169
<b>Total</b>	<b>1,886,088,200,201</b>	<b>1,434,347,507,641</b>

Analysis of trade receivables by maturity is presented in Note 47.

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The movements in allowances for impairment in value of trade accounts receivable are as follows:

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Beginning Balance	91,468,709,993	64,936,716,285
Addition	20,475,092,988	26,531,993,708
Reversal	(11,986,326,439)	--
<b>Ending Balance</b>	<b>99,957,476,542</b>	<b>91,468,709,993</b>

Additional (reversal) of allowance for impairment in value of trade accounts receivable is based on the review of the status of debtors at the end of the period.

Management made allowances for impairment in value of trade accounts receivables because management believes that these receivables are uncollectible.

Management believes that the allowance for impairment in value is adequate to cover the possibility of uncollectible trade accounts receivable.

Consumers financing receivables represent trade accounts receivable of PT Asiatic Sejahtera Finance, a subsidiary, in connection with the financing of property unit ownership to the customers. Such receivables are used as collateral of loan obtained from PT Bank J Trust Indonesia Tbk (see Note 23).

Trade accounts receivable of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loans obtained from PT Bank Central Asia Tbk (see Note 23).

Trade accounts receivable denominated in Rupiah and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 45 and 47.

**5. Available-for-Sale Financial Assets**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>At Cost</b>		
Lippo Malls Indonesia Retail Trust (LMIR Trust) (2016: 822,061,761 units; 2015: 816,883,084 units)	3,303,869,387,269	3,288,543,737,433
First REIT (2016: 254,884,292 units; 2015: 251,828,857 units)	2,057,054,515,654	2,021,847,535,149
PT Kawasan Industri Jababeka Tbk (KIJA) (2016 and 2015: 1,511,850,179 shares)	338,938,289,009	338,938,289,009
<b>Accumulated Unrealized Gain (Loss):</b>		
Accumulated Reclassification Adjustment of Net Loss Recognized in Profit or Loss	(17,387,163,577)	(17,387,163,577)
Gross Accumulated Gain Recognized in Other Comprehensive Income	985,982,106,876	237,121,042,394
	968,594,943,299	219,733,878,817
<b>Total</b>	<b>6,668,457,135,231</b>	<b>5,869,063,440,408</b>

Available-for-Sale Financial Assets are investments in REIT units which are listed on the Singapore Stock Exchange and KIJA shares listed in Indonesia Stock Exchange. The quoted market price of REIT units as of September 30, 2016 and December 31, 2015 are SGD0.375 and SGD0.320 for LMIR Trust units, respectively, and SGD1.355 and SGD1.200 for First REIT units, respectively. The quoted market price of KIJA shares as of September 30, 2016 and December 31, 2015 are Rp294 and Rp247, respectively.



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In 2015, Bridgewater International Ltd and LMIRT Management Ltd, both subsidiaries, disposed 9,000,000 units and 10,000,000 units of LMIR Trust units at the price per unit of SGD0.345 (equivalent Rp3,270) and SGD0.345 (equivalent Rp3,270), respectively. Loss on disposal from these transactions amounted to Rp15,437,851,660 were recorded as other income in profit or loss.

Informations of additional investment units as of September 30, 2016 and 31 December 2015 are disclosed in Note 49.

Addition of available-for-sale financial asset in KIJA includes 1,480,613,606 shares from acquired entity amounted to Rp387,920,764,772 (included in other comprehensive income amounted to Rp58,546,531,498) (see Note 49).

**6. Other Current Financial Assets**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Call Spread Option (See Note 43.d)	1,614,441,339,655	2,015,953,790,020
Other Accounts Receivable	374,266,753,679	695,184,124,483
Dividend Receivable	101,725,374,300	157,159,942,187
Investments in Mutual Fund	100,458,061,367	49,008,885,877
Promissory Note (2015: USD781,600)	--	10,782,172,000
<b>Total</b>	<b>2,190,891,529,001</b>	<b>2,928,088,914,567</b>

**Other Accounts Receivable**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Billing of Joint Operation	46,664,899,527	46,664,899,527
Receivables from Operator and Tenant Association of Mall	36,917,811,640	36,917,811,640
Hospital and Hotel Performance Guarantee Receivables	18,000,000,000	18,000,000,000
Receivables from Transfer of Land and Building Right	--	328,223,711,241
Others	281,935,269,634	274,628,929,197
Subtotal	383,517,980,801	704,435,351,605
Less: Allowance for Impairment in value	(9,251,227,122)	(9,251,227,122)
<b>Total</b>	<b>374,266,753,679</b>	<b>695,184,124,483</b>

The movements in allowances for impairment in value of other accounts receivable are as follows:

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Beginning Balance	9,251,227,122	7,299,710,183
Addition	--	1,951,516,939
<b>Ending Balances</b>	<b>9,251,227,122</b>	<b>9,251,227,122</b>

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Billing of Joint Operation represents receivable from PT Kawasan Industri Jababeka Tbk (KIJA). PT Lippo Cikarang Tbk, a subsidiary, cooperates with KIJA to build highway access Japek of KM 34+700. The cooperation includes the exchange of land and share the project cost of 50%, respectively.

Receivables from operator and tenant association of mall represent receivables resulted from payment of service charge, repair and maintenance units of malls that have been transferred to another parties.

Hospital and Hotel performance guarantees receivables are receivables arising from unachievement of EBITDA of hospitals and hotels acquired from third parties, as part of the deal in the sale and purchase agreement.

Receivables from transfer of land and building right are receivables resulted from payments of tax on the transfer of land and buildings of Kemang Mall, Siloam Hospitals Makassar and Siloam Hospitals Bali.

Management made allowances for impairment in value of other accounts receivable based on collectability of receivable.

The Group's management believes that allowance for impairment in value is adequate to cover the possibility of uncollectible other accounts receivable.

**Dividend Receivable**

Dividend receivable represents dividend receivable of Bridgewater International Ltd., PT Menara Tirta Indah, Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, subsidiaries, from their investments in First REIT and LMIR Trust, respectively.

**Investments in Mutual Fund**

Investments in mutual fund are ownership of mutual fund units managed by an Investment Manager PT Lippo Securities Tbk, a related party, through RDPT Lippo Terproteksi I, II and III and PT Bowsprit Asset Management, a subsidiary, through RDPT Bowsprit Infrastructure Fund I and RDPT Bowsprit Property Fund I. The fair value of mutual fund units are determined based on net asset value as at reporting date.

Unrealized gains on the increase in value of mutual fund units held by the Group for the 9 (nine) months period ended September 30, 2016 amounted to Rp3,630,994,096 recorded as other income (expense).

**7. Inventories**

	September 30, 2016 Rp	December 31, 2015 Rp
Urban Development:		
Land under Development	11,797,987,340,737	10,498,080,080,427
Residential Houses and Shophouses	2,281,422,739,139	2,068,995,059,985
Apartments	405,651,164,914	299,698,103,057
Others	10,745,329,961	8,725,777,948
Subtotal	<u>14,495,806,574,751</u>	<u>12,875,499,021,417</u>
Large Scale Integrated Development:		
Land under Development	2,024,382,797,979	1,941,650,461,656
Apartments	1,931,618,777,926	1,839,198,442,789
Shopping Centers	1,723,886,868,765	1,664,488,022,605
Subtotal	<u>5,679,888,444,670</u>	<u>5,445,336,927,050</u>
Retail Malls:		
Shopping Centers	1,674,249,060,155	1,641,187,663,624
Land under Development	453,700,075,514	349,500,614,513
Subtotal	<u>2,127,949,135,669</u>	<u>1,990,688,278,137</u>

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	September 30, 2016 Rp	December 31, 2015 Rp
Healthcare:		
Medical and Non Medical Supplies	147,993,426,013	140,434,193,057
Hospitality and Infrastructure:		
Hotels and Restaurants	4,428,112,992	6,145,465,883
Recreation and Sports	875,530,420	856,190,099
Others	69,781,452	69,747,026
Less: Allowances Decline in Inventories Value	(39,505,683)	(39,505,683)
Subtotal	5,333,919,181	7,031,897,325
<b>Total</b>	<b>22,456,971,500,284</b>	<b>20,458,990,316,986</b>

In 2016, property and equipment was reclassified to inventory amounting to Rp144,672,282,102 (see Note 14).

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Note 13).

In 2015, property and equipment was reclassified to inventory amounted Rp461,342,063,858 (see Note 14).

Land owned by the Company for an area of 21,940 sqm was pledged as collateral for a loan from PT Bank Negara Indonesia (Persero) Tbk (see Note 21).

Land owned by PT Waska Sentana, a subsidiary, for an area of 38,901 sqm was pledged as collateral for a loan from PT Bank ICBC Indonesia (see Note 21).

Land owned by PT Pamor Paramita Utama, a subsidiary, for an area of 21,150 sqm was pledged as collateral for a loan from PT Bank CIMB Niaga Tbk (see Note 23).

Land owned by PT Mandiri Cipta Gemilang, a subsidiary, for an area of 73,896 sqm was pledged as collateral for a loan from UBS AG and Deutsche Bank AG (see Note 21).

Borrowing costs capitalized into land under development for the 9 (nine) months period ended September 30, 2016 and for the year ended December 31, 2015 amounting to Rp778,416,192,668 (include bond interest amounted to Rp530,746,545,228) and Rp Rp1,696,443,015,384 (include bond interest amounted to Rp853,470,852,432), respectively (see Notes 21 and 25).

As of September 30, 2016, land under development consisted of land covering a net area of approximately 31 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 6 hectares in Mampang Prapatan District, 20 hectares in Panunggangan Barat Village, 23 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 91 hectares in Margakaya Village, Telukjambe, Karawang, 161 hectares in Cibatu Village, 22 hectares in Serang Village, 22 hectares in Sukaresmi Village, 21 hectares in Cicau Village, 2 hectares in Kuta, Bali, 73 hectares in Jaya Mukti Village, 9 hectares in Tanjung Merdeka Village, 23 hectares in Macini Sombala Village, 13 hectares in Tamanyeleng Village, 31 hectares in Barombong Village, 14 hectares in Mariso District, 3 hectares in Panakukang Village, 1 hectare in Warung Buncit district, 4 hectares in Cempaka Putih District, 11 hectares in Wenang District, North Sulawesi, 3 hectares in Alak District, East Nusa Tenggara, 1 hectare in Medan Ringroad, 3 hectares in Komodo District, East Nusa Tenggara, 2 hectares in Rajabasa district, Lampung, 1 hectare in Kalimalang, West Cikarang, 1 hectare in Cipanas District, 11 hectares in Paniki Village, Manado, 1 hectare in Serengan District, Surakarta, 1 hectare in Ambon, 1 hectare in Budiman Village, East Jambi District, 1 hectare in Kedewataan Village, Ubud District, 1 hectare in Batulo Village, Wolio District, Sulawesi, and 1 hectare in Demangan Village, Gondokusuman District, Yogyakarta.

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Medical supplies and consumables of PT Golden First Atlanta, a subsidiary, were pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Note 23).

The amount of inventory charged to cost of revenues amounted to Rp1,940,626,895,587 and Rp1,725,726,028,936, respectively, for the 9 (nine) months periods ended September 30, 2016 and 2015.

Management believes that there is no indication of change in circumstances that causes a decrease in the value of inventories as of September 30, 2016.

The Group's inventories, property investment, and property and equipment have been insured against all risks, with sum insured of Rp5,077,273,883,000 and USD7,000,000 as of September 30, 2016 and Rp5,077,273,883,000 and USD7,000,000 as of December 31, 2015, respectively.

The management believes that the sum insured is adequate to cover any possible losses.

**8. Prepaid Expenses**

	September 30, 2016	December 31, 2015
	Rp	Rp
Rental	152,644,815,472	139,101,322,739
Insurances	8,543,355,348	2,678,692,276
Others (below Rp10 billion each)	122,161,193,427	87,885,650,142
<b>Total</b>	<b>283,349,364,247</b>	<b>229,665,665,157</b>

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 43.b).

**9. Other Non-Current Financial Assets**

	September 30, 2016	December 31, 2015
	Rp	Rp
Restricted Funds	676,168,284,143	685,854,507,978
Investments in Bond	10,000,000,000	10,000,000,000
Other Investments	153,213,621,211	58,329,023,011
<b>Total</b>	<b>839,381,905,354</b>	<b>754,183,530,989</b>

**Restricted Funds**

	September 30, 2016	December 31, 2015
	Rp	Rp
<b>Bank</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank Rakyat Indonesia (Persero) Tbk	3,461,220,298	5,560,189,841
Others (below Rp1 billion each)	1,417,371,850	884,619,950
<b>Subtotal</b>	<b>4,878,592,148</b>	<b>6,444,809,791</b>

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	September 30, 2016 Rp	December 31, 2015 Rp
<b>Time Deposits</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank Rakyat Indonesia (Persero) Tbk	156,679,790,982	133,255,212,368
PT Bank Mandiri (Persero) Tbk	143,748,616,198	121,855,578,961
PT Bank Permata Tbk	102,572,495,194	112,340,064,948
PT Bank Maybank Indonesia Tbk	63,753,062,937	62,218,697,361
PT Bank Negara Indonesia (Persero) Tbk	57,141,851,692	97,522,950,703
PT Bank CIMB Niaga Tbk	27,347,257,484	32,392,019,401
PT Bank Central Asia Tbk	16,842,779,412	19,517,856,580
PT Bank OCBC NISP Tbk	14,230,612,359	14,749,227,168
PT Bank Danamon Indonesia Tbk	6,630,151,774	7,951,820,440
PT Bank Tabungan Negara (Persero) Tbk	2,772,742,617	158,900,000
PT Bank Mega Tbk	2,448,968,493	--
Others (below Rp1 billion each)	80,522,281	770,078,690
<u>Foreign Currencies</u>		
BNP Paribas, Singapore - SGD	26,812,203,761	26,425,780,434
<b>Related Party</b>		
<u>Rupiah</u>		
PT Bank Nationalnobu Tbk	50,228,636,811	50,251,511,133
Subtotal	671,289,691,995	679,409,698,187
<b>Total</b>	<b>676,168,284,143</b>	<b>685,854,507,978</b>

Contractual interest rates and maturity period of the time deposits are as follows:

	September 30, 2016	December 31, 2015
Interest Rate		
Rupiah	3.75% - 8.00%	4.00% - 8.00%
Foreign Currencies	2.50% - 4.00%	2.50% - 4.00%
Maturity Period	2 - 10 years	2 - 10 years

**Investments in Bonds**

These investments represent placement of investments in bond by PT Sandiego Hills Memorial Park, a subsidiary. The followings are the information of investments in bond as of September 30, 2016 and December 31, 2015:

	Par Value Rp	Maturity	Coupon Rate
Obligasi Penawaran Umum Berkelanjutan II			
PT BCA Finance Tahap I Seri C	2,000,000,000	March 20, 2018	9.00%
Obligasi Garuda Indonesia	2,000,000,000	July 5, 2018	9.25%
Obligasi Berkelanjutan I			
PT Bumi Serpong Damai Tbk Tahap II	2,000,000,000	June 5, 2018	8.38%
Obligasi PT Semberdaya Sewatama I			
Tahun 2012 Seri B	1,000,000,000	November 30, 2017	9.56%
Obligasi Berkelanjutan I ADHI Tahap II Seri B	1,000,000,000	March 15, 2017	8.50%
Obligasi Penawaran Umum Berkelanjutan I			
PT Permodalan Nasional Madani (Persero)	1,000,000,000	October 12, 2017	9.56%

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	Par Value Rp	Maturity	Coupon Rate
Obligasi Penawaran Umum Berkelanjutan I PT Pembangunan Perumahan (Persero)	1,000,000,000	March 19, 2018	8.38%
Total	10,000,000,000		

**Other Investments**

	Domicile	September 30, 2016 Rp	December 31, 2015 Rp
RR Venture Capital General Partner Limited	Cayman Islands	94,884,598,200	--
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitrada	Jakarta	160,000,000	160,000,000
Others	--	29,384,011	29,384,011
<b>Total</b>		<b>153,213,621,211</b>	<b>58,329,023,011</b>

This account represents investment in shares below 20% of ownership in some companies which do not have quoted stock market prices.

**10. Transactions and Balances with Related Parties**

The details of the account balances with related parties are as follows:

	September 30, 2016 Rp	December 31, 2015 Rp	Percentage to Total Assets	
			September 30, 2016 %	December 31, 2015 %
<b>Bank</b>				
PT Bank Nationalnobu Tbk	295,043,272,100	271,965,255,233	0.66	0.66
<b>Trade Accounts Receivable</b>				
PT Lippo General Insurance Tbk	4,318,436,334	4,378,335,377	0.01	0.01
Others (below Rp1 billion each)	4,312,202,338	5,751,702,792	0.01	0.01
<b>Total</b>	<b>8,630,638,672</b>	<b>10,130,038,169</b>	<b>0.02</b>	<b>0.02</b>
<b>Restricted Fund</b>				
<b>Time Deposits</b>				
PT Bank Nationalnobu Tbk	50,228,636,811	50,251,511,133	0.11	0.12
<b>Investments in Associates</b>				
PT Sahid Cikarang International	100,000,000,000	--	0.22	--
PT Surya Citra Investama	75,898,679,791	71,052,002,794	0.17	0.17
PT TTL Residences	59,396,190,704	60,086,122,586	0.13	0.15
PT Hyundai Inti Development	15,091,900,259	11,902,864,415	0.03	0.03
PT Anho Biogenesis Prima Indah	(15,381,908)	1,533,695,368	(0.00)	0.00
Others (below Rp1 billion each)	9,268,730,734	9,268,729,654	0.02	0.02
<b>Total</b>	<b>259,640,119,580</b>	<b>153,843,414,817</b>	<b>0.36</b>	<b>0.37</b>
<b>Investments in Joint Venture</b>				
Yoma Siloam Hospitals Pun Hlaing Ltd	168,036,532,708	132,594,167,310	0.37	0.32
PT Lippo Diamond Development	97,386,908,968	98,833,151,586	0.22	0.24
<b>Total</b>	<b>265,423,441,676</b>	<b>231,427,318,896</b>	<b>0.59</b>	<b>0.56</b>

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	September 30, 2016 Rp	December 31, 2015 Rp	Percentage to Total Assets/ Liabilities	
			September 30, 2016 %	December 31, 2015 %
<b>Due from Related Parties - Non Trade</b>				
PT Bumi Lemahabang Permai	34,073,136,046	32,051,733,936	0.08	0.08
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.01
Directors and Key Management	3,320,608,318	4,708,912,430	0.01	0.01
Others (below Rp1 billion each)	4,758,904,919	11,023,654,919	0.01	0.03
Total	47,044,584,734	52,676,236,736	0.10	0.13
Less : Allowance for Impairment in Value	(15,333,752,676)	(15,582,751,676)	(0.03)	(0.04)
<b>Total</b>	<b>31,710,832,058</b>	<b>37,093,485,060</b>	<b>0.07</b>	<b>0.09</b>
<b>Due to Related Parties - Non Trade</b>				
PT Tirta Graha Sentana	1,991,540,182	1,991,540,182	0.01	0.01
Others (below Rp1 billion each)	433,811,968	5,537,457,594	--	0.02
<b>Total</b>	<b>2,425,352,150</b>	<b>7,528,997,776</b>	<b>0.01</b>	<b>0.03</b>
<b>Deferred Income</b>				
PT Mulia Persada Pertiwi	287,104,854,158	299,264,589,161	1.25	1.34
PT Matahari Putra Prima Tbk	182,019,084,642	140,508,177,979	0.79	0.63
<b>Total</b>	<b>469,123,938,800</b>	<b>439,772,767,140</b>	<b>2.04</b>	<b>1.96</b>
	2016 (9 Months) Rp	2015 (9 Months) Rp	Percentage to Total Revenues/ Operating Expenses	
			2016 (9 Months) %	2015 (9 Months) %
<b>Revenues</b>				
PT Matahari Putra Prima Tbk	17,554,105,669	14,598,712,241	0.24	0.22
PT Mulia Persada Pertiwi	12,159,735,003	12,159,735,005	0.16	0.18
<b>Total</b>	<b>29,713,840,672</b>	<b>26,758,447,246</b>	<b>0.40</b>	<b>0.40</b>
<b>Operating Expenses</b>				
PT Multipolar Technology Tbk	24,938,719,698	19,305,229,292	1.27	0.99
PT Air Pasific Utama	11,284,016,664	13,774,114,666	0.58	0.70
PT Matahari Pasific	4,081,222,540	5,027,736,906	0.21	0.26
PT Sharestar Indonesia	239,524,673	258,630,678	0.01	0.01
<b>Total</b>	<b>40,543,483,576</b>	<b>38,365,711,542</b>	<b>2.07</b>	<b>1.96</b>
<b>Employee Benefits Expenses Directors, Commissioners and Key Management</b>	<b>31,192,912,508</b>	<b>40,015,792,276</b>	<b>1.59</b>	<b>2.29</b>

Nature of transactions with related parties are as follows:

Related Parties	Relationship with the Company	Transactions
PT Matahari Putra Prima Tbk	Under Common Control	Deferred income and rental income
PT Mulia Persada Pertiwi	Under Common Control	Deferred income and rental income
PT Bumi Lemahabang Permai	Under Common Control	Non-interest bearing intercompany charges
PT Surya Cipta Investama	Associate	Investment in shares
PT Hyundai Inti Development	Associate	Investment in shares
PT TTL Residences	Associate	Investment in shares
PT Sahid Cikarang International	Associate	Investment in shares

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Related Parties	Relationship with the Company	Transactions
Yoma Siloam Hospitals Pun Hlaing Ltd	Joint Venture	Investment in joint venture
PT Lippo Diamond Development	Joint Venture	Investment in joint venture
PT Anho Biogenesis Prima Indonesia	Associate	Investment in shares of stock
PT Bank Nationalnobu Tbk	Under Common Control	Placement of current accounts, restricted fund, deferred income and rental income
PT Duta Mas Kharisma Indah	Under Common Control	Non-interest bearing intercompany charges
PT Tirta Graha Sentana	Under Common Control	Non-interest bearing intercompany charges
PT Multipolar Technology Tbk	Under Common Control	Procurement hardware and software
PT Air Pasific Utama	Under Common Control	Non-interest bearing intercompany charges
PT Lippo General Insurance Tbk	Under Common Control	Trade Accounts Receivable
Directors, Commisioners and Key Management	Key Personel	Employee benefits, Non-interest bearing loan

In 2015, PT Villa Permata Cibodas, a subsidiary, has returned rental advances to PT Mulia Persada Pertiwi (MPPI) amounted to Rp63,416,672,650.

**11. Invesments in Associates**

September 30 2016								
Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Accumulated Other Comprehensive Income	Additional of Investment	Correction	Carrying Value
	%	Rp	Rp	Rp	Rp	Rp	Rp	Rp
PT Sahid Cikarang International	Bekasi	50.00	100,000,000,000	--	--	--	--	100,000,000,000
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	46,855,924,380	--	(1,200,516,326)	--	75,898,679,791
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	106,721,350,751	(97,784,873,862)	--	--	15,091,900,259
PT TTL Residences	Bekasi	25.00	66,620,250,000	(7,224,059,296)	--	--	--	59,396,190,704
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	(4,265,381,908)	--	--	--	(15,381,908)
Others (below Rp5 billion each)			25,143,494,000	(15,874,763,266)	--	--	--	9,268,730,734
<b>Total</b>			<b>235,134,150,866</b>	<b>126,213,070,661</b>	<b>(97,784,873,862)</b>	<b>(1,200,516,326)</b>	<b>--</b>	<b>259,640,119,580</b>

  

December 31 2015								
Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Accumulated Other Comprehensive Income	Additional of Investment	Correction	Carrying Value
	%	Rp	Rp	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	42,009,247,383	--	(1,200,516,326)	--	71,052,002,794
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,032,314,907	(93,284,873,862)	--	--	11,902,864,415
PT TTL Residences	Bekasi	25.00	28,031,250,000	(6,534,127,414)	--	38,589,000,000	--	60,086,122,586
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	(2,716,304,632)	--	--	--	1,533,695,368
Others (below Rp5 billion each)			25,143,494,000	(15,874,764,346)	--	--	--	9,268,729,654
<b>Total</b>			<b>96,545,150,866</b>	<b>115,916,365,898</b>	<b>(93,284,873,862)</b>	<b>(1,200,516,326)</b>	<b>38,589,000,000</b>	<b>153,843,414,817</b>

The following are financial information of associates as of September 30, 2016 and December 31, 2015:

Subsidiaries	Domicile	Main Business	Percentage of Ownership	Total Assets
				September 30, 2016 Rp
PT Multifiling Mitra Indonesia Tbk	Bekasi	Service	65.98	210,788,451,599
PT Biogenesis Genome International	Jakarta	Healthcare Service	89.00	20,575,073,826
				December 31, 2015 Rp
				184,786,688,849
				10,000,000,000



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The following is a summary of financial information of associates as of September 30, 2016 and December 31, 2015:

	September 30, 2016 Rp	December 31, 2015 Rp
Total Agregat of Current Assets	169,624,491,792	144,132,664,218
Total Agregat of Non Current Assets	885,395,849,703	816,404,203,114
Total Agregat of Current Liabilities	86,587,622,028	57,149,924,487
Total Agregat of Non Current Liabilities	453,013,622,783	377,746,333,148
Total Agregat of Net Revenues for the Period/Year	117,873,720,854	130,212,272,005
Total Agregat of Profit After Tax for the Period/Year	3,412,578,832	28,773,912,805
Total Agregat of Comprehensive Income for the Perio/Year	--	26,363,721,426
Total Agregat of Profit or Loss and Other Comprehensive Income for the Period/Year	3,412,578,832	14,772,074,844

There was no fair value information available based on quoted market prices of the above investments in associates.

Fair value of investment of PT Surya Cipta Investama in PT Multifilling Media Indonesia Tbk as of September 30, 2016 and December 31, 2015 based on quoted market price information amounted to Rp131,978,853,600 and Rp93,485,021,300, respectively.

## 12. Investments in Joint Venture

September 30, 2016							
Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Share in Profit (Loss) - Net Rp	Accumulated Dividend Received Rp	Other Comprehensive Income Rp	Additional (Disposal) of Investments Rp	Carrying Value Rp
Yoma Siloam Hospitals Pun Hlaing Ltd	40.00	135,814,217,223	(5,041,494,515)	--	--	37,263,810,000	168,036,532,708
PT Lippo Diamond Development	51.00	102,000,000,000	(4,613,091,032)	--	--	--	97,386,908,968
<b>Total</b>		<b>237,814,217,223</b>	<b>(9,654,585,547)</b>	<b>--</b>	<b>--</b>	<b>37,263,810,000</b>	<b>265,423,441,676</b>

  

December 31, 2015							
Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Share in Profit (Loss) - Net Rp	Accumulated Dividend Received Rp	Other Comprehensive Income Rp	Additional (Disposal) of Investments Rp	Carrying Value Rp
Yoma Siloam Hospitals Pun Hlaing Ltd	40.00	135,814,217,223	(3,220,049,913)	--	--	--	132,594,167,310
PT Lippo Diamond Development	51.00	102,000,000,000	(3,166,848,414)	--	--	--	98,833,151,586
<b>Total</b>		<b>237,814,217,223</b>	<b>(6,386,898,327)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>231,427,318,896</b>

### Yoma Siloam Hospitals Pun Hlaing Ltd

In 2015, PT Waluya Graha Loka (WGL), a subsidiary, and First Myanmar Investment Co., LTD (FMI) entered into joint venture agreement through Yoma Siloam Hospitals Pun Hlaing Ltd (YSHPH) with total capital amount of USD13,187,500 with the contribution of USD5,275,000 (equivalent to 40% of capital) and USD7,912,500 (equivalent to 60% of capital) for WGL and FMI, respectively.

Based on the said joint venture agreement, the venturers agree to increase the venture capital amounting to USD80,000,000, proportionately contributed by each venturer in seventh year since the joint venture establishment. The venturers also agree to provide funding to the joint venture proportionately.

### PT Lippo Diamond Development

On October 28, 2015, PT Megakreasi Cikarang Permai (MCP), a subsidiary, and PT Diamond Realty Investment Indonesia (DRII), a subsidiary of Mitsubishi Corporation, entered into joint operation for developing of two luxury residential towers in Orange County, Lippo Cikarang, with total investment value of USD100,000,000. The contribution of this joint operation is 51% and 49% for MCP and DRII, respectively.

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Based on the said joint venture agreement, MCP and DRIL, the venturers agree to provide funding to the joint venture proportionately. If one of the venturers does not have sufficient fund for financing, the funding will be obtained from third party loan.

The following is a summary of financial informations on joint venture as of September 30, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
	Rp	Rp
Total Agregat of Current Assets	285,491,465,219	370,495,019,453
Total Agregat of Non Current Assets	190,497,509,252	46,178,108,191
Total Agregat of Current Liabilities	57,638,877,757	16,758,539,343
Total Agregat of Non Current Liabilities	139,980,184,093	126,317,137,267
Total Agregat of Net Revenues for the Period/Year	34,785,492,650	65,011,757,298
Total Agregat of Loss After Tax for the Period/Year	(2,107,911,320)	(9,674,273,041)
Total Agregat of Comprehensive Income for the Period/Year	--	--
Total Agregat of Loss and Other Comprehensive Income for the Period/Year	(2,107,911,320)	(9,674,273,041)

There was no fair value information available based on quoted market price of the above investments in joint venture.

**13. Investment Property**

	2016 (9 Months)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
<b>Acquisition Cost</b>					
Land	82,226,593,131	--	--	--	82,226,593,131
Building	447,322,997,651	17,342,091,494	--	--	464,665,089,145
Total Acquisition Cost	529,549,590,782	17,342,091,494	--	--	546,891,682,276
<b>Accumulated Depreciation</b>					
Building	112,549,282,526	19,539,255,524	--	--	132,088,538,050
Total Accumulated Depreciation	112,549,282,526	19,539,255,524	--	--	132,088,538,050
<b>Carrying Value</b>	<b>417,000,308,256</b>				<b>414,803,144,226</b>
	2015 (1 Year)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
<b>Acquisition Cost</b>					
Land	56,201,024,208	--	--	26,025,568,923	82,226,593,131
Building	343,752,721,523	8,304,892,095	--	95,265,384,033	447,322,997,651
Total Acquisition Cost	399,953,745,731	8,304,892,095	--	121,290,952,956	529,549,590,782
<b>Accumulated Depreciation</b>					
Building	89,648,991,228	22,900,291,298	--	--	112,549,282,526
Total Accumulated Depreciation	89,648,991,228	22,900,291,298	--	--	112,549,282,526
<b>Carrying Value</b>	<b>310,304,754,503</b>				<b>417,000,308,256</b>

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Rental revenue earned and direct operating expenses from investment property in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
Rental Revenue	50,703,622,816	141,527,332,307
Direct Operating Expenses Arises from the Rental Generated from Investment Properties	19,436,545,758	18,867,210,407

Depreciation charges that were allocated in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
Cost of Revenues	8,532,691,448	8,950,017,335
Selling Expenses	11,006,564,076	7,954,901,424
<b>Total</b>	<b>19,539,255,524</b>	<b>16,904,918,759</b>

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Note 7).

In 2015, the Group reclassified property and equipment to investment property amounting to Rp54,835,032,831 (see Note 14).

The fair value of all inventories (see Note 7), investment property, and property and equipment (see Notes 13 and 14) as of December 31, 2015, amounted to Rp88,783,722,473,000. Based on the valuation reports of Kantor Jasa Penilai Publik Rengganis Hamid and Rekan and Kantor Jasa Penilai Publik Ihot Dollar & Raymond, independent appraisers which are not related with the Company, dated July 20, 2016 and July 22, 2016 and July 20, 2016, respectively. The appraisers are member of MAPPI and have appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the Code of Ethics of Indonesian valuation.

The approach used by the appraisers are:

1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of September 30, 2016 was not impaired as compared to December 31, 2015.

Based on the evaluation of the value of investment properties as of September 30, 2016, management believes that there are no changes in circumstances indicate an impairment of investment properties.

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**14. Property and Equipment**

	2016 (9 Months)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
Land	484,265,615,283	83,957,909,897	--	(144,672,282,102)	423,551,243,078
Building, Infrastructure and Renovations	1,140,355,297,061	63,495,450,887	--	(24,020,800,684)	1,179,829,947,264
Parks and Interiors	29,233,217,587	337,500,500	--	(823,580,036)	28,747,138,051
Golf Course and Club House	176,064,347,330	344,865,000	--	--	176,409,212,330
Transportation Equipment and Vehicles	49,376,862,712	3,687,712,693	10,250,000	3,115,938,984	56,170,264,389
Furniture, Fixtures and Office Equipment	867,941,015,174	64,664,832,505	41,727,114,136	59,672,480,920	950,551,214,463
Tools and Medical Equipment	1,745,514,683,612	118,289,667,047	757,771,625	1,681,046,225	1,864,727,625,259
Machinery and Project Equipment	255,103,041,327	41,313,256,566	--	(39,428,784,855)	256,987,513,038
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,765,387,818,039	376,091,195,095	42,495,135,761	(144,475,981,548)	4,954,507,895,825
<b>Under Capital Lease</b>					
Medical Equipment	--	31,252,777,259	--	--	31,252,777,259
<b>Construction in Progress</b>	286,673,865,084	146,382,195,292	--	(3,827,743,279)	429,228,317,097
<b>Total Acquisition Cost</b>	<u>5,052,061,683,123</u>	<u>553,726,167,646</u>	<u>42,495,135,761</u>	<u>(148,303,724,827)</u>	<u>5,414,988,990,181</u>
<b>Accumulated Depreciation</b>					
<b>Direct Ownership</b>					
Building, Infrastructure and Renovations	353,984,548,945	59,779,001,935	--	--	413,763,550,880
Parks and Interiors	22,552,149,333	766,169,565	--	--	23,318,318,898
Golf Course and Club House	163,153,510,599	7,522,113,505	--	--	170,675,624,104
Transportation Equipment and Vehicles	36,720,864,284	3,949,066,553	10,250,000	1,103,561,724	41,763,242,561
Furniture, Fixtures and Office Equipment	609,515,925,111	80,348,613,477	41,681,141,212	37,219,601,851	685,402,999,227
Tools and Medical Equipment	928,682,773,058	183,950,895,162	472,731,750	1,168,511,002	1,113,329,447,472
Machinery and Project Equipment	188,396,046,570	32,650,985,868	--	(41,537,728,760)	179,509,303,678
Bowling Machinery	14,387,595,253	11,344,671	--	--	14,398,939,924
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
<b>Total Accumulated Depreciation</b>	<u>2,320,529,159,245</u>	<u>368,978,190,736</u>	<u>42,164,122,962</u>	<u>(2,046,054,183)</u>	<u>2,645,297,172,836</u>
<b>Carrying Value</b>	<u><b>2,731,532,523,878</b></u>				<u><b>2,769,691,817,345</b></u>
	2015 (1 Year)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
Land	477,801,430,283	7,000,000,000	--	(535,815,000)	484,265,615,283
Building, Infrastructure and Renovations	1,029,929,192,682	89,388,237,065	--	21,037,867,314	1,140,355,297,061
Parks and Interiors	24,576,600,379	4,656,617,208	--	--	29,233,217,587
Golf Course and Club House	175,604,708,730	512,210,600	52,572,000	--	176,064,347,330
Transportation Equipment and Vehicles	46,397,613,598	2,242,168,659	246,919,545	984,000,000	49,376,862,712
Furniture, Fixtures and Office Equipment	670,698,064,934	182,547,615,586	340,860,582	15,036,195,236	867,941,015,174
Tools and Medical Equipment	1,522,526,112,101	103,534,842,911	5,506,416,776	124,960,145,376	1,745,514,683,612
Machinery and Project Equipment	258,068,250,234	6,778,890,499	82,070,250	(9,662,029,156)	255,103,041,327
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,223,135,710,894	396,660,582,528	6,228,839,153	151,820,363,770	4,765,387,818,039
<b>Construction in Progress</b>	837,191,957,954	117,479,367,589	--	(667,997,460,459)	286,673,865,084
<b>Total Acquisition Cost</b>	<u>5,060,327,668,848</u>	<u>514,139,950,117</u>	<u>6,228,839,153</u>	<u>(516,177,096,689)</u>	<u>5,052,061,683,123</u>

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	Beginning Balance Rp	Addition Rp	2015 (1 Year)		Ending Balance Rp
			Deduction Rp	Reclassification Rp	
<b>Accumulated Depreciation</b>					
<b>Direct Ownership</b>					
Building, Infrastructure and Renovations	288,256,604,730	65,727,944,215	--	--	353,984,548,945
Parks and Interiors	21,520,178,822	1,031,970,511	--	--	22,552,149,333
Golf Course and Club House	153,419,085,781	9,786,996,818	52,572,000	--	163,153,510,599
Transportation Equipment and Vehicles	33,194,006,193	3,773,777,636	246,919,545	--	36,720,864,284
Furniture, Fixtures and Office Equipment	477,658,933,083	132,143,860,548	286,868,520	--	609,515,925,111
Tools and Medical Equipment	682,582,474,116	231,562,150,511	2,785,724,122	17,323,872,553	928,682,773,058
Machinery and Project Equipment	177,425,660,754	28,376,328,619	82,070,250	(17,323,872,553)	188,396,046,570
Bowling Machinery	14,372,469,025	15,126,228	--	--	14,387,595,253
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,851,565,158,596	472,418,155,086	3,454,154,437	--	2,320,529,159,245
<b>Carrying Value</b>	<b>3,208,762,510,252</b>				<b>2,731,532,523,878</b>

For the 9 (nine) months period ended September 30, 2016, the Group reclassified property and equipment to inventory amounting to Rp144,672,282,102 (see Note 7).

For the 9 (nine) months period ended September 30, 2016, deduction of property and equipment included write-off with acquisition cost and accumulated depreciation amounted to Rp41,537,728,760, respectively.

For the 9 (nine) months period ended September 30, 2016, the addition of property and equipment included the property and equipment of the acquired company (see Notes 1.c and 49) with a total acquisition cost of Rp25,558,430,031 and accumulated depreciation of Rp20,068,605,593.

The addition of the Group's property and equipment for the 9 (nine) months period ended September 30, 2016, including acquired finance lease assets amounted to Rp31,252,777,259 (see Note 24).

The addition of the Group's property and equipment for the 9 (nine) months periods ended September 30, 2016 and 2015, including non-cash transactions from realization of property and equipment advances amounted to Rp43,182,701,093 and Rp25,668,464,778, respectively (see Note 49).

In 2015, the Group reclassified property and equipment to inventory amounted to Rp461,342,063,858 (see Note 7).

In 2015, the Group reclassified property and equipment to investment property amounted to Rp54,835,032,831 (see Note 13).

Construction in progress represents hospital and mall buildings. As of September 30, 2016, construction in progress has reached 15% - 97% and estimated the completion within June 2017 until September 2017. Management believes that there is no other matter which will hinder the completion.

Depreciation charges that were allocated in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	2016 (9 Months) Rp	2015 (9 Months) Rp
Cost of Revenues	191,700,657,401	174,690,794,914
Selling Expenses	16,291,943,689	9,532,253,965
General and Administrative Expenses	140,916,984,053	137,481,894,385
<b>Total</b>	<b>348,909,585,143</b>	<b>321,704,943,264</b>

Acquisition cost of property and equipment that have been fully depreciated and still in use as of September 30, 2016 and December 31, 2015 amounted Rp117,871,462,880, respectively.

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Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, were pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (see Note 23).

Land and building, furniture, fixtures and office equipment and tools and medical equipment of PT Golden First Atlanta, a subsidiary, were pledged as collateral for loan obtained from PT Bank Central Asia Tbk (see Note 23).

There is no borrowing cost capitalized into property and equipment.

The Group's management is in the opinion that there is no impairment in the carrying value of property and equipment as of September 30, 2016.

**15. Intangible Assets**

Details of carrying value of intangible assets are as follows:

	2016 (9 Months)			
	Beginning Balance	Addition	Deduction	Ending Balance
	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>				
Goodwill	512,723,760,675	--	--	512,723,760,675
Software	55,273,187,862	9,163,200,852	--	64,436,388,714
Total Acquisition Cost	567,996,948,537	9,163,200,852	--	577,160,149,389
<b>Accumulated Amortization and Impairment</b>				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	14,405,862,215	8,438,932,618	--	22,844,794,833
Total Accumulated Amortization and Impairment	33,066,466,533	8,438,932,618	--	41,505,399,151
<b>Carrying Value</b>	<b>534,930,482,004</b>			<b>535,654,750,238</b>
	2015 (1 Year)			
	Beginning Balance	Addition	Deduction	Ending Balance
	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>				
Goodwill	512,723,760,675	--	--	512,723,760,675
Software	42,594,192,168	12,678,995,694	--	55,273,187,862
Total Acquisition Cost	555,317,952,843	12,678,995,694	--	567,996,948,537
<b>Accumulated Amortization and Impairment</b>				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	8,370,897,937	6,034,964,278	--	14,405,862,215
Total Accumulated Amortization and Impairment	27,031,502,255	6,034,964,278	--	33,066,466,533
<b>Carrying Value</b>	<b>528,286,450,588</b>			<b>534,930,482,004</b>

The current period amortization expenses of software was recorded as amortization expenses in other expenses.

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			September 30, 2016	December 31, 2015
			Rp	Rp
PT Tunggal Pilar Perkasa	PT Rashal Siar Cakra Medika	2014	101,776,732,211	101,776,732,211
PT Wisma Jatim Propertindo	PT Anugerah Bahagia Abadi	2014	5,791,607,560	5,791,607,560
PT Manunggal Bumi Sejahtera	PT Asiatic Sejahtera Finance	2014	64,794,498,390	64,794,498,390
PT Koridor Usaha Maju	PT Medika Sarana Traliansia	2013	132,006,537,817	132,006,537,817

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Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			September 30, 2016	December 31, 2015
			Rp	Rp
PT Lippo Malls Indonesia	PT Mulia Citra Abadi	2012	20,247,679,428	20,247,679,428
PT Persada Mandiri Dunia Niaga	PT Ekaputra Kencana Abadi	2012	15,050,000,000	15,050,000,000
PT Primakreasi Propertindo	PT Bimasakti Jaya Abadi	2012	9,509,000,000	9,509,000,000
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Propertindo	PT Surya Megah Lestari	2012	5,680,000,000	5,680,000,000
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
PT Medika Sarana Traliansia	PT Trisaka Raksa Waluya	2011	75,119,377	75,119,377
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
<b>Net</b>			<b>494,063,156,357</b>	<b>494,063,156,357</b>

The management believes that the indentified impairment that occurred as of September 30, 2016 and December 31, 2015 have been assessed adequately.

**16. Advances**

	September 30, 2016	December 31, 2015
	Rp	Rp
Advances for Land Acquisition	807,802,667,392	757,008,659,026
Advances for Construction	439,427,430,441	437,482,070,773
Advances for Acquisition of Property and Equipment	195,243,940,976	155,883,238,102
Others	116,951,755,883	79,557,793,409
<b>Total</b>	<b>1,559,425,794,692</b>	<b>1,429,931,761,310</b>

Advance for construction represents advance paid to contractors for projects construction.

On December 26, 2012, based on memorandum of understanding, PT Irama Karya Megah (IKM), a subsidiary, entered into a land purchase agreement located in Keputih and Gebang Putih administrative village, Surabaya with acquisition cost amounted to Rp250,000,000,000. Until completion date of the interim consolidated financial statements, there has not yet binding for such land purchase agreement.

On January 7, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, amended the land sales and purchase agreement which was signed on December 17, 2012 for purchase consideration of Rp300,000,000,000. As of December 31, 2014, LC has made payment in total of Rp170,100,000,000. On June 29, 2015, this advance was assigned to PT Swadaya Teknopolis (ST) as settlement for acquisition of Premium Venture International Ltd.

On February 19, 2014, PT Gunung Halimun Elok (GHE), a subsidiary, entered into sales and purchase agreement on land located in Bintaro. As of September 30, 2016 GHE has made total payment of Rp73,544,750,000.

On May 28, 2014, PT Bahtera Perkasa Makmur (BPM), a subsidiary, entered into sales and purchase agreement for land located in Manado, North Sulawesi. As of September 30, 2016, BPM has made total payment of Rp26,165,625,000.

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On July 22, 2014, PT Great Jakarta Inti Development (GJID), a subsidiary, entered into an agreement of transferring commercial rights of land located in Cibatu, Lippo Cikarang with PT Profita Sukses Abadi. Total value of the agreement is Rp 290,000,000,000. As of September 30, 2016 GJID has made total payment of Rp230,000,000,000.

PT Karimata Alam Damai (KAD), a subsidiary, entered into a land purchase agreement with PT Graha Buana Cikarang. Land that object of sales and purchase located at North Cikarang – Jababeka City with the area of 18,896 sqm for purchase consideration of Rp37,792,000,000. As of September 30, 2016, KAD still on process of transferred of landright.

PT Gowa Makassar Tourism Development (GMTD), a subsidiary, entered into a land purchase agreement with any parties located in Makassar. As of September 30, 2016, GMTD has made total advance payment of Rp32,755,490,000.

**17. Land for Development**

	September 30, 2016		December 31, 2015	
	Area	Value	Area	Value
	Sqm	Rp	Sqm	Rp
The Company	1,001,010	203,753,714,725	1,001,010	205,326,565,494
Subsidiaries :				
PT Gowa Makassar Tourism Development Tbk	1,990,261	363,653,339,474	2,018,900	352,069,358,705
PT Lippo Cikarang Tbk	1,201,196	529,829,151,386	1,196,782	594,919,336,757
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Erabaru Realindo	702,371	22,845,087,500	702,371	22,845,087,500
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Sejatijaya Selaras	84,162	12,942,934,741	84,162	12,927,010,894
PT Bahtera Pratama Wirasakti	82,440	15,520,541,679	83,405	15,520,541,679
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
<b>Total</b>	<b>6,175,915</b>	<b>1,314,597,732,786</b>	<b>6,201,105</b>	<b>1,369,660,864,310</b>

Land for development of an area of 212,642 sqm owned by PT Gowa Makassar Tourism Development Tbk, a subsidiary, were pledged as collateral for loans obtained from PT Bank Mandiri (Persero) Tbk (see Note 21).

Land for development of the Group are located at Curug Wetan Village, Curug Kulon, Sukabakti in Curug District; Serdang Wetan Village, Rancagong in Legok District; Ciakar Village, Serdang Kulon, Cukang Galih, Tangerang Regency, Banten; Cipambuan Village in Citeureup District, Bogor Regency, West Java; Sukaresmi, Cibatu, Cicau, Sukamukti, Sirnajati, Jayamukti, Pasirsari in Lemahabang District, South Cikarang; Tanjung Merdeka Village, Barombong, Maccini Sombala, Tamanyeleng, Mariso, Benteng Somba Opu in Makassar, South Sulawesi.

Site development permits of each land have been obtained from their respective local governors.



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**18. Accrued Expenses**

	September 30, 2016	December 31, 2015
	Rp	Rp
Estimated Cost for Construction	629,480,516,450	511,316,784,930
Interest	297,877,257,034	106,151,996,274
Endowment Care Fund	91,400,968,640	82,274,482,324
Hedging Premium of Call Spread Option	67,938,897,595	24,104,472,806
Cost of Revenue	40,045,283,195	37,007,695,825
Electricity, Water and Telephone	17,549,036,775	9,774,060,248
Transfer of Land and Building Tax	15,233,896,173	22,496,540,349
Contract Service	12,865,663,894	22,599,833,938
Repair and Maintenance	7,413,497,479	4,170,571,875
Professional Fees	3,548,709,742	28,898,365,453
Others	165,014,193,523	157,673,743,621
<b>Total</b>	<b>1,348,367,920,500</b>	<b>1,006,468,547,643</b>

Accrued cost of revenue represents accrued on unbilled hospitals cost of goods sold.

**19. Taxation**

**a. Tax Expenses**

Final Tax Expenses

Details of Group's final tax expenses for the 9 (nine) months periods ended September 30, 2016 and 2015 are as follows:

	2016 (9 Months) Rp	2015 (9 Months) Rp
Company		
Rental Income - 10%	10,034,437,595	10,718,031,313
Transfer of Land and Building Right - 5%	5,152,279,214	--
Subsidiaries		
Rental Income - 10%	50,797,495,117	19,166,593,662
Transfer of Land and Building Right - 5%	105,755,284,075	132,508,946,756
<b>Total Final Tax Expenses</b>	<b>171,739,496,001</b>	<b>162,393,571,731</b>

Current Tax and Deferred Tax

	2016 (9 Months)			2015 (9 Months)		
	Company Rp	Subsidiaries Rp	Consolidated Rp	Company Rp	Subsidiaries Rp	Consolidated Rp
Current Tax Expenses	31,264,363,139	167,558,670,653	198,823,033,792	--	124,832,249,752	124,832,249,752
Deferred Tax Expenses (Benefits)	1,826,556,142	(11,888,952,400)	(10,062,396,258)	1,914,624,621	(2,678,371,303)	(763,746,682)
<b>Total Income Tax Expenses</b>	<b>33,090,919,281</b>	<b>155,669,718,253</b>	<b>188,760,637,534</b>	<b>1,914,624,621</b>	<b>122,153,878,449</b>	<b>124,068,503,070</b>

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The reconciliation between profit before tax as presented in the interim consolidated statements of profit or loss and other comprehensive income and the Company's estimated fiscal income (loss) are as follows:

	<b>2016</b> <b>(9 Months)</b> <b>Rp</b>	<b>2015</b> <b>(9 Months)</b> <b>Rp</b>
Profit before Tax as Presented in the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	1,183,266,738,327	568,724,494,701
Deduct: Income of Subsidiaries, Associates and Joint Venture	<u>1,943,255,636,418</u>	<u>1,623,065,414,817</u>
Loss before Company's Income Tax	<u>(759,988,898,091)</u>	<u>(1,054,340,920,116)</u>
<b>Temporary Differences</b>		
Allowance for Impairment in Value Receivable	105,500,000	146,228,577
Employee Benefits	1,770,355,263	1,151,418,653
Depreciation of Direct Ownership of Property and Equipment	(3,704,494,765)	(3,478,560,657)
Deferred Gain on Sale and Leaseback Transactions	<u>(5,477,585,058)</u>	<u>(5,477,585,058)</u>
Subtotal	<u>(7,306,224,560)</u>	<u>(7,658,498,485)</u>
<b>Permanent Differences</b>		
Donation and Representation	428,372,254	49,047,953
Interest Income	857,137,844	(136,780,775)
Income Subjected to Final Tax - Net	<u>785,881,852,378</u>	<u>1,058,129,706,236</u>
Subtotal	<u>787,167,362,477</u>	<u>1,058,041,973,414</u>
<b>Estimated Fiscal Income (Loss)</b>	<b><u>19,872,239,826</u></b>	<b><u>(3,957,445,187)</u></b>
Estimated Current Tax - the Company	<b><u>3,974,447,965</u></b>	<b><u>--</u></b>

Calculation of estimated current tax and tax payable of subsidiaries are as follows:

	<b>2016</b> <b>(9 Months)</b> <b>Rp</b>	<b>2015</b> <b>(9 Months)</b> <b>Rp</b>
Estimated Current Tax - the Company	3,974,447,965	--
Estimated Current Tax - Subsidiaries	<u>158,337,412,832</u>	<u>124,832,249,752</u>
<b>Total Current Tax Expense Consolidated</b>	<b><u>162,311,860,797</u></b>	<b><u>124,832,249,752</u></b>
Tax Credit	<u>(77,122,538,378)</u>	<u>(85,303,079,910)</u>
<b>Total Income Tax Payable Article 29 - End Period</b>	<b><u>85,189,322,419</u></b>	<b><u>39,529,169,842</u></b>

The reconciliation between the Company's tax expense and the multiplication of the interim consolidated profit before income tax with the prevailing tax rate is as follows:

	<b>2016</b> <b>(9 Months)</b> <b>Rp</b>	<b>2015</b> <b>(9 Months)</b> <b>Rp</b>
Profit before Tax as Presented in the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	1,183,266,738,327	568,724,494,701
Deduct: Income of Subsidiaries, Associates and Joint Venture	<u>1,943,255,636,418</u>	<u>1,623,065,414,817</u>
Loss before Company's Income Tax	<u>(759,988,898,091)</u>	<u>(1,054,340,920,116)</u>
Income Tax Expense at Effective Tax Rate - 20%	(151,632,468,389)	(263,585,230,029)
Income Subjected to Final Tax - Net	157,176,370,476	264,532,426,559
Interest Income	171,427,569	(34,195,194)
Donation and Representation	85,674,451	12,261,988
Remaining Tax Loss Compensated	<u>--</u>	<u>989,361,297</u>
Total Tax Expense of the Company	<u>5,801,004,107</u>	<u>1,914,624,621</u>

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	2016 (9 Months) Rp	2015 (9 Months) Rp
Previous Period Correction of the Company	27,289,915,174	--
Subtotal	33,090,919,281	1,914,624,621
Tax Expense of the Subsidiaries		
Deferred Tax Subsidiaries	(11,888,952,400)	(2,678,371,303)
Current Tax Subsidiaries	158,337,412,832	124,832,249,752
Previous Period Correction of the Subsidiaries	9,221,257,821	--
Subtotal	155,669,718,253	122,153,878,449
<b>Total</b>	<b>188,760,637,534</b>	<b>124,068,503,070</b>

**b. Deferred Tax Assets and Liabilities**

Details of the Group's deferred tax assets and liabilities are as follows:

	January 1, 2016 Rp	Charged (Credited) to the interim Consolidated Profit or Loss and Other Other Comprehensive Income Rp	Additions from Business Combination Rp	Other Comprehensive Income Rp	September 30, 2016 Rp
<b>The Company</b>					
Amortization of Deferred Income from Sale and Lease Back Transactions	10,849,754,629	(1,369,396,265)	--	--	9,480,358,364
Post-employment Benefits Liabilities	5,642,603,749	442,588,816	--	--	6,085,192,565
Allowance for Impairment in Value	3,198,772,924	26,375,000	--	--	3,225,147,924
Depreciation	(12,047,184,601)	(926,123,693)	--	--	(12,973,308,294)
	7,643,946,701	(1,826,556,142)	--	--	5,817,390,559
<b>Subsidiaries</b>	39,306,420,577	4,854,726,017	--	--	44,161,146,594
<b>Deferred Tax Assets - Net</b>	<b>46,950,367,277</b>	<b>3,028,169,875</b>	<b>--</b>	<b>--</b>	<b>49,978,537,153</b>
<b>Deferred Tax Liabilities</b>	<b>39,593,675,631</b>	<b>(7,034,226,383)</b>	<b>--</b>	<b>--</b>	<b>32,559,449,248</b>
	January 1, 2015 Rp	Charged (Credited) to the Consolidated Profit or Loss and Other Other Comprehensive Income Rp	Additions from Business Combination Rp	Other Comprehensive Income Rp	December 31, 2015 Rp
<b>The Company</b>					
Amortization of Deferred Income from Sale and Lease Back Transactions	12,675,616,315	(1,825,861,686)	--	--	10,849,754,629
Post-employment Benefits Liabilities	4,117,781,250	709,772,020	--	815,050,479	5,642,603,749
Allowance for Impairment in Value	3,127,251,723	71,521,201	--	--	3,198,772,924
Depreciation	(10,793,135,963)	(1,254,048,638)	--	--	(12,047,184,601)
	9,127,513,325	(2,298,617,103)	--	815,050,479	7,643,946,701
<b>Subsidiaries</b>	54,791,394,319	(10,192,060,118)	--	(5,292,913,624)	39,306,420,577
<b>Deferred Tax Assets - Net</b>	<b>63,918,907,644</b>	<b>(12,490,677,221)</b>	<b>--</b>	<b>(4,477,863,145)</b>	<b>46,950,367,278</b>
<b>Deferred Tax Liabilities</b>	<b>28,147,868,966</b>	<b>11,151,602,989</b>	<b>294,203,676</b>	<b>--</b>	<b>39,593,675,631</b>

Management believes that the deferred tax assets can be recovered through future taxable profits in the future.

**c. Prepaid Taxes**

	September 30, 2016 Rp	December 31, 2015 Rp
Income Taxes		
Article 4 (2)	429,081,451,571	416,170,622,193
Article 21	--	865,100
Article 22	938,662,400	857,054,182

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	September 30, 2016	December 31, 2015
	Rp	Rp
Article 25/29	23,211,612,025	--
Article 28.a	3,524,996,557	6,991,456,142
Value Added Tax	390,812,555,728	393,395,177,617
<b>Total</b>	<b>847,569,278,281</b>	<b>817,415,175,234</b>

On June 27, 2016, the Company received an overpayment tax assessment letter of corporate income tax article 29 for the fiscal year 2014 amounted to Rp3,524,996,557.

On August 1, 2016, Directorate General of Tax has paid restitution tax amounting to Rp508,480,713 after deducting with underpayment tax assessment letter income tax article 21, 23, 4 (2) and Value Added Tax amounting to Rp3,016,515,844.

On August 15, 2016, the Company filed objection to the Directorate General of Tax related to the restitution above.

**d. Taxes Payable**

	September 30, 2016	December 31, 2015
	Rp	Rp
Income Taxes		
Article 4 (2)	93,670,456,770	68,025,769,772
Article 21	28,729,700,983	39,806,304,655
Article 23	8,433,735,151	6,893,741,447
Article 25/29	85,189,322,420	62,007,027,350
Article 26	14,809,837	20,639,437
Value Added Tax	54,795,792,866	48,390,142,668
Hotel and Restaurant Tax	3,640,384,436	3,271,259,437
Entertainment Tax	559,083,999	559,083,999
<b>Total</b>	<b>275,033,286,462</b>	<b>228,973,968,765</b>

**e. Administration**

Fiscal laws in Indonesia requires that each company calculate, determine and pay the amount of tax payable individually.

Based on the prevailing laws, the Director General of Tax ("DJP") may asses or amend taxes within a certain period of time. For fiscal years 2007 and earlier, the period is ten years since the tax become payable but not more than 2013, while for the fiscal years 2008 and onwards, the period is five years from the time of the tax become payable.

Details of letters of Tax Underpayment Assesment Letter (SKPKB) obtained by the Company and subsidiaries as of September 30, 2016, and December 31, 2015 are as follows:

September 30, 2016			
Fiscal Year	Entity	Taxes Category	Amount Rp
2015	The Company	Income Tax Article 4 (2)	1,580,002,009
		Income Tax Article 21	68,597,560
		Income Tax Article 23	49,123,993
		Income Tax Article 29	27,289,915,174
		Value Added Tax	75,800,906

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September 30, 2016			
Fiscal Year	Entity	Taxes Category	Amount Rp
2015	PT Almaron Perkasa	Income Tax Article 29	4,494,311,875
2015	PT Makassar Permata Sulawesi	Income Tax Article 29	128,906,250
2015	PT Menara Tirta Indah	Income Tax Article 29	3,814,529,057
2015	PT Bimasakti Jaya Abadi	Income Tax Article 29	239,807,392
2015	PT Gunung Halimun Elok	Income Tax Article 29	224,251,540
2015	PT Satyagraha Dinamika Unggul	Income Tax Article 29	319,451,707
December 31, 2015			
Fiscal Year	Entity	Taxes Category	Amount Rp
2015	PT Siloam International Hospitals Tbk	Income Tax Article 25	3,466,459,585
2013	PT Trisaka Reksa Waluya	Income Tax Article 4 (2)	99,218,768
		Income Tax Article 21	77,137,426
		Income Tax Article 23	633,304,318
		Value Added Tax	151,925,386
	PT Siloam International Hospitals Tbk	Income Tax Article 21	1,521,788,258
		Income Tax Article 23	29,164,692
2012	The Company	Income Tax Article 4 (2)	4,747,002,838
		Income Tax Article 15	250,975,552
		Income Tax Article 21	1,403,636,148
		Income Tax Article 26	1,903,200,206
		Income Tax Article 29	112,797,370
		Value Added Tax	831,057,718
	PT Almaron Perkasa	Income Tax Article 4 (2)	6,595,613,164
		Income Tax Article 21	215,939,911
		Income Tax Article 23	585,673,755
		Income Tax Article 29	2,035,663,410
		Value Added Tax	20,988,697,173
	PT Gading Nusa Utama	Income Tax Article 29	11,711,259,910
	PT Gowa Makassar Tourism Development Tbk	Income Tax Article 4 (2)	667,026,060
		Income Tax Article 29	519,811,150
		Value Added Tax	5,156,499,312
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	133,820,923
		Income Tax Article 23	758,292,644
		Income Tax Article 29	788,163,085
		Value Added Tax	294,748,680
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	72,438,723
		Income Tax Article 23	2,247,598,340
	PT Medika Sarana Triliansia	Income Tax Article 4 (2)	48,596,348
		Income Tax Article 21	221,556,655
		Income Tax Article 23	69,846,114
		Income Tax Article 26	124,525,776
		Value Added Tax	22,254,525
	PT Trisaka Reksa Waluya	Income Tax Article 4 (2)	119,155,227
		Income Tax Article 21	34,822,736
		Income Tax Article 23	279,872,903
		Value Added Tax	75,050,825
	PT Siloam International Hospitals Tbk	Income Tax Article 4 (2)	37,274,557
		Income Tax Article 21	2,335,042,096
		Income Tax Article 23	235,761,307
		Income Tax Article 26	620,793
		Value Added Tax	881,248,972

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December 31, 2015			
Fiscal Year	Entity	Taxes Category	Amount Rp
2011	The Company	Income Tax Article 4 (2)	6,272,552,955
		Income Tax Article 21	1,007,638,508
		Income Tax Article 23	668,612,865
		Income Tax Article 26	2,495,872,114
		Income Tax Article 29	1,296,360,302
		Value Added Tax	1,179,975,627
	PT Pendopo Niaga	Income Tax Article 4 (2)	5,361,999,791
		Value Added Tax	5,245,910,103
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	667,945,460
		Income Tax Article 23	491,274,606
		Income Tax Article 29	979,428,850
		Value Added Tax	1,451,133,192
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	995,855,561
		Income Tax Article 23	136,695,997
	PT Siloam International Hospitals Tbk	Income Tax Article 15	36,591,106
		Income Tax Article 21	516,205,704
		Income Tax Article 23	49,088,811
		Value Added Tax	12,953,589
2010	The Company	Income Tax Article 21	195,820,594
		Income Tax Article 23	90,720,461

**20. Trade Accounts Payable – Third Parties**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Trade Accounts Payable - Third Parties</b>		
Contractors	512,611,971,561	406,677,512,278
Suppliers	335,331,265,635	231,871,520,480
Doctor Fees	113,820,372,188	100,294,181,694
Others	16,133,606,621	44,073,082,372
<b>Total</b>	<b>977,897,216,005</b>	<b>782,916,296,824</b>

There is no collateral given by the Group on these payables.

Trade Accounts Payable denominated in Rupiah and foreign Currencies. Trade accounts payable denominated in foreign currencies is presented in Notes 45 and 47.

**21. Short-Term Bank Loans**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
UBS AG dan Deutsche Bank AG (2016: USD100,000,000)	1,299,800,000,000	--
PT Bank Negara Indonesia (Persero) Tbk	270,000,000,000	220,000,000,000
PT Bank ICBC	70,000,000,000	75,000,000,000
PT Bank Mandiri (Persero) Tbk	70,000,000,000	35,000,000,000
PT Bank Central Asia Tbk	2,652,465,783	2,173,564,967
PT Bank Mega Tbk	--	630,000,000,000
<b>Total</b>	<b>1,712,452,465,783</b>	<b>962,173,564,967</b>

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**UBS AG and Deutsche Bank AG**

Based on Credit Agreement dated July 18, 2016, the Company obtained credit facility from Deutsche Bank AG, Singapore Branch, and UBS AG, Singapore Branch as follows:

- Working Capital Loan with maximum amount of USD50,000,000 bears interest rate of Libor + 5.25%. This loan will mature on July 15, 2017 with a maximum of two times extension.
- Term loan facility with maximum amount of USD65,000,000 bears interest rate of Libor + 5.25%. This loan will mature on April 30, 2019.

For these facilities, the Company is required to maintain financial ratios as follows:

- **Net Debt to Operating EBITDA** at a maximum 5.00 in 2016, 4.50 in 2017 and 4.25 in the following years.
- **Net Debt to Consolidated Net Worth** at a maximum 80%.
- **Secured Indebtedness to Total Assets** at a maximum 15%.
- **Unrestricted Cash** (other than PT Siloam International Hospitals Tbk and subsidiaries and PT Lippo Cikarang Tbk and subsidiaries) is not less than Rp800,000,000,000.

These facilities are secured by land owned by PT Mandiri Cipta Gemilang (MCG), with details as follows:

1. Building Rights (SHGB) No. 05519 with an area of 35,531 sqm which is registered under the name of MCG (see Note 7).
2. SHGB No. 05520 with an area of 38,365 sqm which is registered under the name of MCG (see Note 7).

As of September 30, 2016, outstanding balance for these facilities amounted to USD100,000,000 (equivalent to Rp1,299,800,000,000).

**PT Bank Negara Indonesia (Persero) Tbk**

- Based on Credit Agreement No. 34 dated October 30, 2006 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (11) 34 dated June 9, 2016, the Company obtained Working Capital Facility (KMK) with maximum loan amounted to Rp250,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2017. As of September 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to Rp250,000,000,000 and Rp200,000,000,000, respectively.
- Based on Credit Agreement No. 44 dated March 29, 2007 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (10) 44 dated June 9, 2016, the Company obtained Working Capital Facility (KMK) with maximum loan amounted to Rp20,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2017. As of September 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to Rp20,000,000,000 and Rp20,000,000,000, respectively.

Both facilities are secured by 21,940 sqm of land in Lippo Village Residences, Jl. Boulevard Jend, Sudirman, Kelapa Dua Village, Curug District, Tangerang, Banten, with details as follows:

1. SHGB No. 3695 with an area of 340 sqm dated January 9, 1998 (Certificate due date January 9, 2028) which is registered under the name of the Company (see Note 7).
2. SHGB No. 2866 with an area of 15,235 sqm dated April 4, 1997 (Certificate due date September 24, 2022) which is registered under the name of the Company (see Note 7).
3. SHGB No. 4028 with an area of 6,365 sqm dated August 6, 1998 (Certificate due date August 6, 2028) which is registered under the name of the Company (see Note 7).

Interest and borrowing costs capitalized to inventory for the 9 (nine) months period ended September 30, 2016 amounted to Rp24,124,436,110 (see Note 7).

**PT Bank ICBC Indonesia**

**The Company**

Based on Credit Agreement No. 85 dated October 25, 2012 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta and last amended in Extension Credit Agreement

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No. 143/ICBC-MK/PTD/X/2011/P5 dated October 16, 2015, the Company obtained Credit Facility with maximum credit limit amounted to Rp70,000,000,000. This facility bears an interest of 12% per annum and will mature on October 25, 2016. This Loan is secured by a parcel of land with the area of 94,500 sqm (SHGB 2014/Sukaresmi) and the area of 2,500 sqm (SHGB 2012/Sukaresmi). As of September 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to Rp70,000,000,000 and Rp45,000,000,000, respectively.

Interest and borrowing costs capitalized to inventory for the 9 (nine) months period ended September 30, 2016 amounting to Rp6,283,333,333 (see Note 7).

**PT Lippo Cikarang Tbk**

Based on Deed of Loan Agreement No. 86 dated October 20, 2010 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, and has been amended several times and the latest amended on November 4, 2015 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P5 and Deed of Amendment and Restatement of Credit Agreement No. 98 dated November 30, 2015, PT Lippo Cikarang Tbk, a subsidiary, obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia with maximum credit limit amounted to Rp215,000,000,000 (PTD A-1 Rp30,000,000,000,000, PTD A-2 Rp185,000,000,000) and bears an interest rate of 12% per annum and will mature on October 25, 2016 and November 30, 2016, respectively. This Loan is secured by a parcel of land with the area of 38,901 sqm, with the Building Rights (HGB) No. 178/Sukaresmi registered under the name of PT Waska Sentana, a subsidiary (see Note 7). As of September 30, 2016 and December 31, 2015 outstanding balance for this facility amounted to nil and Rp30,000,000,000, respectively.

**PT Bank Mandiri (Persero) Tbk**

Based on Credit Agreement No. 05 dated April 23, 2015 which was made in the presence of Andi Fitriani S.H., M.Kn a notary in Makassar, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, obtained Working Capital Facility (KMK) from PT Bank Mandiri (Persero) Tbk with maximum credit limit amounted to Rp50,000,000,000. This facility bears an interest of 12% per annum and will due on April 23, 2016. This facility is secured by 180,634 sqm land for development belong to GMTD in Barombong Village, Tamalate District, Makassar City (see Note 17). Subsequently, based on the amendment of the credit agreement No. 5 dated January 22, 2016, which was made in the presence of the same notary, the maximum credit limit of KMK increased from Rp50,000,000,000 to Rp200,000,000,000 and the collateral of land for development increased from previously 180,634 sqm become 212,642 sqm and will due on January 21, 2017. Outstanding balance of the facility as of September 30, 2016 and December 31, 2015 amounted to Rp70,000,000,000 and Rp35,000,000,000, respectively.

**PT Bank Central Asia Tbk**

Based on Credit Agreement No. 1 dated April 1, 2003 which was made in the presence of Yandes Effriady, S.H., a notary in Jambi and Letter of Lending No. 0242/JAM/2010 dated February 3, 2010, amendment of Credit Agreement No. 54 dated July 19, 2010 which was made in the presence of Hasan S.H., a notary in Jambi, which later amended with renewal Letter No. 0908/JAM/2016 dated May 11, 2016, PT Golden First Atlanta (GFA), a subsidiary, obtained facility Local Credit (Overdraft) with maximum loan amounted Rp5,000,000,000. This facility bears an interest of 12.5% per annum. Collateral for this facility is cross collateral with long-term facility (see Note 23).

**PT Bank Mega Tbk**

**The Company**

Based on Credit Agreement No. 9 dated July 15, 2016 the Company obtained Working Capital Loan from PT Bank Mega Tbk with a maximum amount of Rp800,000,000,000 bears an interest rate of 14% per annum. This loan will mature on July 15, 2017. This credit facility is secured by 15 (fifteen) parcels of land covering an area of 20.6 hectares. On September 23, 2016, this loan has been cancelled.



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PT Mandiri Cipta Gemilang

Based on Credit Agreement No. 135 dated October 30, 2015 which was made in the presence of Eliwaty Tjitra, S.H., a notary in Jakarta and last amended in Amendement of Credit Agreement No 24 dated December, 7, 2015, PT Mandiri Cipta gemilang (MCG) obtained credit facility with maximum credit limit amounted to Rp1,200,000,000,000. This facility bears an interest rate of 14.5% per annum and will mature on October 30, 2016.

Secured assets for this facility are as follows:

- Land owned by MCG with an area of 35,531 sqm located in Kembangan Selatan Village, Kembangan District Daerah Khusus Ibukota (DKI) Jakarta Province (see Note 7); and
- Land owned by MCG with an area of 38,365 sqm located in Kembangan Selatan Village, Kembangan District DKI Jakarta Province (see Note 7).

On September 26, 2016 this loan has been fully paid.

As of September 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to nil and Rp630,000,000,000, respectively.

**22. Other Current Financial Liabilities**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Unidentified Payments	261,458,848,579	105,064,391,827
Payables to Non-controlling Interest of a subsidiary	153,604,952,956	153,604,952,956
Transfer of Title	78,240,082,434	39,120,041,217
Payable from Acquisition of a Subsidiary	12,062,499,966	12,062,499,966
Other Payables	90,254,243,722	30,014,046,734
<b>Total</b>	<b>595,620,627,657</b>	<b>339,865,932,700</b>

Unidentified payments represent the receipt of collection which has not yet identifiable by the Group.

**23. Long-Term Bank Loans**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
PT Bank CIMB Niaga Tbk	311,185,457,106	290,596,043,447
PT Bank J Trust Indonesia Tbk	232,973,802,915	198,889,752,826
Bank Pembangunan Daerah Kalimantan Timur	19,108,201,223	24,041,220,753
PT Bank Central Asia Tbk	1,620,965,746	6,483,862,981
	564,888,426,990	520,010,880,007
Current Portion	59,194,108,545	48,261,246,570
<b>Non-Current Portion</b>	<b>505,694,318,445</b>	<b>471,749,633,437</b>

PT Bank CIMB Niaga Tbk

Based on credit agreement No. 23, dated August 18, 2015, which was made in presence of Unita Christina Winata, S.H., a notary in Jakarta, PT Pamor Paramita Utama (PPU), a subsidiary, obtained special transaction loan facilities (on liquidation basis) with the maximum credit limit amounted to Rp450,000,000,000 divided into two tranches as follows:

- Special Transaction A facility (Tranche A) with maximum plafond of Rp300,000,000,000 for the purpose of refinancing Lippo Mall Kuta and Hotel's development cost. Tenor of this credit is

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7 years or 84 months, bears an interest rate of 11% per annum. As of September 30, 2016, outstanding facility obtained by PPU amounted to Rp300,000,000,000.

- Special Transaction B facility (Tranche B) with maximum plafond of Rp150,000,000,000 for the purpose of developing 5 stars Hotel in Kuta – Bali. Tenor of this credit is 7 years or 84 months, bears an interest rate of 11.5% per annum. As of September 30, 2016, outstanding facility obtained by PPU amounted to Rp28,600,000,000.

These loans are secured by land with an area of 21,150 sqm and Building Rights (HGB) No.875/ KUTA located at Jalan Kartika Plaza, Kuta, Subdistrict, Subprovince Badung, Bali Province in the name of PPU (see Note 7).

For these facilities, PPU is required to maintain financial ratios based on audited financial statements as follows:

- Debt Services Coverage Ratio (DSCR) at a minimum 1x from 2017 to 2022.
- Bank loan to Earning Before Interest Tax, Depreciation and Amortization (EBITDA) ratio at a maximum 4x in 2017, 3x in 2018, 2x in 2019, 1.5x in 2020 and 1x in 2021 to 2022.
- Gearing Ratio at a maximum 3,5x in 2017, 2,5x in 2018, 1,5x in 2019 and 1x in 2020 to 2022.

The payment of this loan for the 9 (nine) months period ended September 30, 2016 amounted to Rp7,500,000,000.

As of September 30, 2016 and December 31, 2015 the outstanding balance of the Tranche A facility amounted to Rp282,585,457,106 and Rp290,596,043,447, respectively.

As of September 30, 2016 and December 31, 2015 the outstanding balance of the Tranche B facility amounted to Rp28,600,000,000 and nil, respectively.

**PT Bank J Trust Indonesia Tbk**

Based on letter of credit confirmation (SPK) No.21 dated October 28, 2015, which was made in presence of Emi Susilowati, S.H., a notary in Jakarta, PT Asiatic Sejahtera Finance (ASF), a subsidiary, obtained a term installment credit facility with a maximum amounted to Rp240,000,000,000 and bears interest rate of 12.25% per annum for the purpose of financing of mortgage agreement (KPR) which will mature not more than 5 (five) years and 13% for financing of KPR that will due between 5-15 years. This facility was used to funding of Group's property KPR. This loan will mature on April 30, 2023.

All trade receivables of ASF were used as collateral for this facility (see Note 4).

The payment of this loan for the 9 (nine) months period ended September 30, 2016 amounted to Rp29,165,042,328.

As of September 30, 2016 and December 31, 2015 the outstanding balance of this facility amounted to Rp232,973,802,915 and Rp198,889,752,826, respectively.

**Bank Pembangunan Daerah Kalimantan Timur**

Based on Deed of Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum amount of Rp50,000,000,000 bears interest rate of 12.63% per annum. This loan was used to funding development of hospitals and paying its loan obtained from PT Bank Mandiri (Persero) Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Gang Bahagia, Balikpapan which is registered under the name of BDH (see Note 14).
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000 (see Note 14).

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There is no restrictive financial ratio which should be maintained by BDH.

The payment of this loan for the 9 (nine) months period ended September 30, 2016 amounted to Rp4,933,019,525.

As of September 30, 2016 and December 31, 2015 the outstanding balance of this facility amounted to Rp19,108,201,223 and Rp24,041,220,753, respectively.

**PT Bank Central Asia Tbk**

Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amendment of Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S.H., a notary in Jambi and was renewed by Letter No.0908/JAM/2016 dated May 11, 2016, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:

- Local Credit Facility (Current Account) at a maximum amount of Rp5,000,000,000.
- Investment Credit Facility at a maximum amount of Rp32,419,314,946.

Both facilities bear an annual interest rate of 12.5% and will mature on May 5, 2017 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:

- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary (see Note 14).
- Medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments (see Notes 4, 7 and 14).

Based on the loan agreement, GFA has to maintain maximum debt to equity ratio of 2.2x and shareholders loan to retained earning ratio 1x. As of September 30, 2016 and December 31, 2015, GFA has complied with the required debt ratio.

The payment of this loan for the 9 (nine) months period ended September 30, 2016 amounted to Rp4,862,897,241.

As of September 30, 2016 and December 31, 2015, the outstanding balance of this facility amounted to Rp1,620,965,746 and Rp6,483,862,981, respectively.

**24. Finance Lease Obligation**

In 2016, PT Siloam International Hospitals Tbk, a subsidiary, obtained leasing facility from PT Century Tokyo Leasing Indonesia (CTLI) and PT Mitsubishi UFJ Lease & Finance Indonesia (MUFG) related to acquisition of medical equipment with leased value amounted to Rp57,539,790,338 and Rp19,264,734,752 and payment period of 60 months which bear an effective annual interest of 12.65% CTLI and 11.25% MUFG.

The future minimum lease payments based on lease agreement is as follows:

	September 30, 2016 Rp	Desember 31, 2015 Rp
2016	5,271,709,727	--
2017	20,253,734,184	--
2018	20,253,734,184	--
2019	20,253,734,184	--
2020	20,253,734,184	--
2021	10,081,766,707	--
Total	96,368,413,170	--
Less: Interest Portion	(23,143,114,376)	--
<b>Obligations under Finance Leases - Net</b>	<b>73,225,298,794</b>	<b>--</b>

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	September 30, 2016 Rp	Desember 31, 2015 Rp
<b>Obligations under Finance Leases</b>		
<b>Current Maturities</b>	<b>12,190,184,691</b>	
<b>Obligations under Finance Leases</b>		
<b>Net of Current Maturities</b>	<b>61,035,114,103</b>	

The outstanding balance of this facility as of September 30, 2016 amounted to Rp73,225,298,794.

**25. Bonds Payable**

	September 30, 2016 Rp	December 31, 2015 Rp
Nominal (2016: USD813,306,000 dan 2015: USD803,306,000)	10,571,351,388,000	11,081,606,270,000
Premium	73,116,323,603	79,896,804,989
Bond Issuance Cost	(284,331,572,113)	(278,444,063,173)
<b>Total</b>	<b>10,360,136,139,490</b>	<b>10,883,059,011,816</b>
Premium (net of discount)	181,712,039,999	136,811,912,499
Less : Accumulated Amortization	(108,595,716,396)	(56,915,107,510)
<b>Unamortized Premium</b>	<b>73,116,323,603</b>	<b>79,896,804,989</b>
Bond Issuance Cost	482,418,150,834	440,735,932,790
Less : Accumulated Amortization	(198,086,578,721)	(162,291,869,617)
<b>Unamortized Bond Issuance Cost</b>	<b>284,331,572,113</b>	<b>278,444,063,173</b>

The Company initiated several fund raising by issuing bonds to support the Group's business.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity year and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will due on April 30, 2015. Payment of interest will be conducted every 6 months. These bonds have been fully paid on November 14, 2012 and April 30, 2013, respectively.

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD100,000,000. Both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity year and will due on May 16, 2019. Payment of interest is conducted every 6 months. These bonds have been fully paid on September 9, 2016. As of September 30, 2016 and December 31, 2015, accrued interest expense amounted to nil and USD2,138,889 (equivalent to nil and Rp29,505,973,755), respectively.

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In relation to exchange offer program of bonds, on November 14, 2012, TC, a subsidiary, issued unsecured bonds with nominal value of USD273,306,000 in exchange with bond of SC for a nominal value of USD253,713,000 and paid USD22,666,000. This bond bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of September 30, 2016 and December 31, 2015, accrued interest expense amounted to USD6,370,497 and USD2,185,499 (equivalent to Rp82,803,720,006 and Rp30,148,958,705), respectively.

On January 14, 2013, TC, a subsidiary, issued unsecured bonds with a nominal value of USD130,000,000 with a fixed interest rate of 6.125% per year and are listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and payment of interest is conducted every 6 months. As of September 30, 2016 and December 31, 2015 accrued interest expenses amounted to USD3,030,174 and USD1,039,549 (equivalent to Rp39,386,201,652 and Rp14,340,578,455), respectively.

On April 30, 2013, SC, a subsidiary, has been fully paid the remaining bond amounting to USD119,229,000 at a price of 104.5%.

On April 11, 2014, TC, a subsidiary, issue unsecured bonds with a nominal value of USD150,000,000 with a fixed interest rate of 7% per year and are listed on the Singapore Stock Exchange. The bonds will mature on April 11, 2022 and payment of interest is conducted every 6 months. As of September 30, 2016 and December 31, 2015 accrued interest expenses amounted to USD4,929,167 and USD1,429,167 (equivalent to Rp64,069,312,666 and Rp19,715,358,765), respectively.

On August 10, 2016, TC, a subsidiary, issue unsecured bonds with a nominal value of USD260,000,000 with a fixed interest rate of 7% per year and are listed on the Singapore Stock Exchange. The bonds will mature on April 11, 2022 and payment of interest is conducted every 6 months. As of September 30, 2016 accrued interest expenses amounted to USD8,543,889 (equivalent to Rp111,053,469,222).

Funds from the bonds issuance have been used to redeem senior bonds which will mature in 2019 with principal amount of USD250,000,000 at 103.5 on September 9, 2016.

Borrowing costs capitalized into land under development for the 9 (nine) months period ended September 30, 2016 and for the year ended December 31, 2015 amounting to Rp530,746,545,228 and Rp853,470,852,432, respectively (see Note 7).

These bonds have been rated B+ by Standard & Poor's, BB- by Fitch and Ba3 by Moody's.

The Company has to comply with certain restrictions under bond covenants as stipulated in the Offering Circular.

The Company entered into Non-Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on these foreign currency denominated bonds (see Note 43.d).

## **26. Post-employment Benefits Liabilities**

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### **Post-Employment Benefits – Defined Benefits Plan**

Group appointed independent actuaries to determine post-employment liability in accordance with the existing manpower regulations. The management has provided reserve on post-employment benefits liabilities as of June 30, 2016 and December 31, 2015. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

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Post-employment benefits recognized in the interim consolidated statements of financial position are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Present Value of Defined Benefit Obligation, end of period/year	312,706,115,359	311,085,515,426
Fair Value Asset Plan	--	--
<b>Total</b>	<b>312,706,115,359</b>	<b>311,085,515,426</b>

The details of post-employment benefits expense recognized in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Current Service Cost	16,689,877,463	39,604,042,307
Interest Expense	12,124,188,751	20,723,976,143
<b>Total</b>	<b>28,814,066,214</b>	<b>60,328,018,450</b>

Post-employment benefits expense is recorded as part of salaries and employee's benefits expense.

Reconciliation of changes in liabilities recognized in the interim consolidated statements of financial position are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Beginning Balance of Period/Year	311,085,515,426	255,676,668,775
Payment of Employees' Benefits	(4,782,102,926)	(13,833,177,065)
Other Comprehensive Income (Loss)	(22,411,363,355)	8,914,005,266
Current Service Cost and Interest Expenses	28,814,066,214	60,328,018,450
<b>Ending Balance of Period/Year</b>	<b>312,706,115,359</b>	<b>311,085,515,426</b>

Reconciliation of changes in present value of defined benefits obligation are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Present Value of Defined Benefits Obligation at Beginning Period/Year	311,085,515,426	255,676,668,775
Current Service Cost	16,689,877,463	39,604,042,307
Interest Expense	12,124,188,751	20,723,976,143
Payment of Employees' Benefits	(4,782,102,926)	(13,833,177,065)
<b>Expected Present Value of Defined Benefits Obligation at End of Period/Year</b>	<b>335,117,478,714</b>	<b>302,171,510,160</b>
<b>Actual Present Value of Defined Benefits Obligation at End of Period/Year</b>	<b>312,706,115,359</b>	<b>311,085,515,426</b>
<b>Actuarial Gain (Loss) Current Period/Year</b>	<b>22,411,363,355</b>	<b>(8,914,005,266)</b>

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Movement of consolidated of other comprehensive income is as follow:

	June 30, 2016 Rp	December 31, 2015 Rp
Beginning Balance	(66,588,357,353)	(57,674,352,087)
Other Comprehensive Income (Loss) Current Period/Year	22,411,363,355	(8,914,005,266)
<b>Ending Balance</b>	<b>(44,176,993,998)</b>	<b>(66,588,357,353)</b>

The defined benefits plan gives the Group exposure of interest rate risk and salary risk.

**Interest Risk**

The present value of the defined benefits plan liability is calculated using the interest of government bond, therefore, the decreasing in the government bond interest rate will increase defined benefits plan liability.

**Salary Risk**

The present value of the defined benefits plan is calculated using the assumption of future salaries increase, therefore, the increasing of salary percentage will increase defined benefits plan liability.

**Sensitivity analysis**

Increasing 1% of assumed discount rate on June 30, 2016, will impact to the decrease of defined benefits obligation amounted to Rp27,986,400,601.

Decreasing 1% of assumed discount rate on June 30, 2016, will impact to the increase of defined benefits obligation amounted to Rp33,114,653,730.

Increasing 1% of assumed salary rate on June 30, 2016, will impact to the increase of defined benefits obligation amounted to Rp17,485,030,866.

Decreasing 1% of assumed salary rate on June 30, 2016, will impact to the decrease of defined benefits obligation amounted to Rp16,418,806,947.

Present value of defined benefits obligation, related current service cost and past service cost were calculated by independent actuaries using the following assumptions for the 6 (six) months period ended June 30, 2016 and the year ended December 31, 2015:

	June 30, 2016	December 31, 2015
Discount Rates	7.63% - 7.90%	8.00% - 8.50%
Salary Increase Projection Rate	8.00%	8.00%
Mortality Rate	TMI-2011	TMI-2011
Permanent Disability Rate	10% x TMI-2011	10% x TMI-2011
Resignation Rate	5.00%	5.00%

**27. Advances from Customers**

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Third Parties</b>		
Apartments	2,155,577,954,057	2,359,555,422,693
Residential Houses and Shophouses	2,143,342,336,936	2,416,961,151,575
Shopping Centers	269,150,535,610	324,884,091,156

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	<b>September 30, 2016</b>	<b>December 31, 2015</b>
	<b>Rp</b>	<b>Rp</b>
Land Lots	208,532,459,484	110,343,742,125
Total	4,776,603,286,087	5,211,744,407,549
Current Portion	1,289,113,975,093	863,192,440,180
<b>Non-Current Portion</b>	<b>3,487,489,310,994</b>	<b>4,348,551,967,369</b>

Details of the percentage of advances from customer to sales price are as follows:

	<b>September 30, 2016</b>	<b>December 31 2015</b>
	<b>Rp</b>	<b>Rp</b>
100%	3,133,084,769,690	4,182,357,444,064
50% - 99%	881,991,746,409	646,692,082,547
20% - 49%	481,475,095,518	371,357,549,130
under 20%	280,051,674,470	11,337,331,808
<b>Total</b>	<b>4,776,603,286,087</b>	<b>5,211,744,407,549</b>

**28. Deferred Income**

	<b>September 30 2016</b>	<b>December 31 2015</b>
	<b>Rp</b>	<b>Rp</b>
<b>Related Party</b>		
Rent (see Notes 10 and 43.b)	469,123,938,800	439,772,767,140
<b>Third Party</b>		
Rent	309,600,523,043	341,175,896,024
Others	42,847,293,795	58,243,147,826
Subtotal	352,447,816,838	399,419,043,850
Total Deferred Income	821,571,755,638	839,191,810,990
Current Portion	392,787,863,395	480,093,178,686
<b>Non-Current Portion</b>	<b>428,783,892,243</b>	<b>359,098,632,304</b>

**29. Deferred Gain on Sale and Leaseback Transactions**

	<b>September 30 2016</b>	<b>December 31 2015</b>
	<b>Rp</b>	<b>Rp</b>
Acquisition Cost	791,727,059,928	791,727,059,928
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	664,188,293,227	664,188,293,227
Proceeds	2,445,894,179,389	2,445,894,179,389
Less: Gain Credited to the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	70,196,779,840	70,196,779,840
Deferred Gain on Sale and Leaseback Transactions	1,711,509,106,322	1,711,509,106,322



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	September 30 2016	December 31 2015
	Rp	Rp
Foreign Exchange Translation	206,172,381,357	142,456,546,067
Accumulated Amortization	(854,800,026,728)	(674,507,654,901)
Deferred Gain on Sale and Leaseback - Net	1,062,881,460,951	1,179,457,997,488
Current Portion	131,205,115,132	132,766,996,702
<b>Non-Current Portion</b>	<b>931,676,345,819</b>	<b>1,046,691,000,786</b>

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 43.b).

**30. Capital Stock**

The Company stockholders' composition as of September 30, 2016 and December 31, 2015 are as follows:

Stockholders	September 30, 2016			Desember 31, 2015		
	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800	4,126,619,908	18.12	412,661,990,800
PT Metropolis Propertindo Utama	1,212,280,000	5.32	121,228,000,000	1,212,280,000	5.32	121,228,000,000
Public (each below 5%)	17,432,685,211	76.56	1,743,268,521,100	17,432,685,211	76.56	1,743,268,521,100
<b>Subtotal</b>	<b>22,771,585,119</b>	<b>100.00</b>	<b>2,277,158,511,900</b>	<b>22,771,585,119</b>	<b>100.00</b>	<b>2,277,158,511,900</b>
<b>Treasury Stocks</b>	<b>306,104,500</b>		<b>30,610,450,000</b>	<b>306,104,500</b>		<b>30,610,450,000</b>
<b>Total</b>	<b>23,077,689,619</b>		<b>2,307,768,961,900</b>	<b>23,077,689,619</b>		<b>2,307,768,961,900</b>

The details acquisition of treasury stock as of September 30, 2016 and December 31, 2015 are as follows:

Reporting Period	No Register Letter to Bapepam - LK	Total Shares	Acquisition Cost (Rp)
2011	005/LK-COS/I/2012 Dated November 15, 2011	96,229,500	61,577,515,000
2012	175/LK-COS/VII/2012 Dated July 13, 2012	209,875,000	154,946,598,794
<b>Total</b>		<b>306,104,500</b>	<b>216,524,113,794</b>

**31. Additional Paid in Capital - Net**

	Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
<b>Total</b>	<b>4,063,148,621,880</b>

**Paid in Capital Excess of Par – Net**

	Rp
Rights Issue I	
Paid in Capital Excess of Par - Net on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
<b>Subtotal</b>	<b>75,439,569,336</b>

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	<u>Rp</u>
Rights Issue II	
Paid in Capital Excess of Par - Net on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	<u>477,605,385,137</u>
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	<u>659,475,970,000</u>
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	<u>91,701,282,075</u>
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	<u>1,927,996,868,067</u>
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	<u>811,394,200,000</u>
<b>Total Paid in Capital Excess of Par - Net</b>	<b><u>4,043,613,274,615</u></b>

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the business combination exercised under purchase method represents the difference between the highest share price reached during the 90 days prior to the announcement of the business combination and par value of the Company's issued shares.

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

**Difference in Value from Restructuring Transactions between Entities Under Common Control Net**

	<u>Rp</u>
<b>Transaction Before Business Combination</b>	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	<u>(4,677,115,352)</u>
<b>Transaction from Business Combination</b>	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	(85,173,967,500)
Difference in Value	<u>190,663,253,676</u>
Realization	(84,027,724,260)
Net	<u>106,635,529,416</u>
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	(265,747,071,500)
Difference in Value	<u>(196,519,120,943)</u>
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	(39,637,690,500)
Difference in Value	<u>159,677,075,500</u>
Realization	(45,581,021,356)
Net	<u>114,096,054,144</u>
<b>Total - Net</b>	<b><u>19,535,347,265</u></b>

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Difference in value from the restructuring transaction PT Saptapersada Jagatnusa (SPJN) was incurred during the Company's acquisition of SPJN in 2001.

Difference in value from restructuring transactions between entities under common control from business combination amounting to Rp190,663,253,676, Rp(196,519,120,943) and Rp159,677,075,500, respectively, were incurred from the merger of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta in 2004. The difference was determined from the difference in net asset value of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta and the nominal value of new shares issued by the Company.

**32. Difference in Transactions with Non-Controlling Interest**

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On September 21, 2016, PT Megapratama Karya Persada, a subsidiary, made disposal on its investment of 104,049,000 shares or equivalent to 9.00% ownership in PT Siloam International Hospitals Tbk (SIH) with the price per share of Rp11,500 amounted to Rp1,196,563,500,000. Gain on disposal of investments amounted to Rp1,036,118,501,369 was recorded as difference in transactions with non-controlling interest.

On June 12, 2015, PT Kuta Beach Paragon and PT Primakreasi Propertindo, both subsidiaries, acquired 13.5% shares of PT Graha Buana Utama (GBU) from PT Mahanaim with the price of Rp25,358,527,564. The excess of acquisition cost over the subsidiary's net assets amounted to Rp22,988,443,294 was recorded as difference in transactions with non-controlling interest.

On February 12, 2015, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired 25% shares of PT Wahana Usaha Makmur (WUM) from PT Mahanaim with the price of Rp15,334,000,000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp43,851,181,695 was recorded as difference in transactions with non-controlling interest.

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, both subsidiaries, made disposal on its investment of 75,300,000 shares or equivalent to 6.51% and 17,500,000 shares or equivalent to 1.51% share ownership in PT Siloam International Hospitals Tbk (SIH) with the price per share of Rp12,250 amounted to Rp1,136,800,000,000. Gain on disposal of investments amounting Rp1,000,581,189,869 was recorded as difference in transactions with non-controlling interest.

On November 28, 2014, PT Tunggal Pilar Perkasa, a subsidiary, acquired 20% shares of PT Medika Sarana Traliansia (MST) from Steer Clear Ltd with the price of Rp45.030.000.000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp25,748,354,393 was recorded as difference in transactions with non-controlling interest.

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, made disposal on its investment of 82,500,000 shares in SIH or equivalent to 7.1% of the issued and fully capital stock in SIH with the price of Rp10,400 per share or Rp858,000,000,000. Gain on disposal of investments amounting to Rp741,092,494,948 was recorded as difference in transactions with non-controlling interest.

In 2013, several subsidiaries, acquired ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) of 3,400,000 shares or equivalent to 3.35% of the issued and fully paid shares of GMTD. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp5,645,114,201 was recorded as difference in transactions with non-controlling interest.

On September 2, 2013, PT Nilam Biru Bersinar, a subsidiary, made disposal on its investment of 5,900,000 shares in SIH or equivalent to 0.59% of the issued and fully capital stock in SIH. Gain on disposal of investments amounting Rp51,469,368,863 was recorded as difference in transactions with non-controlling interest.

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp45,889,312,357 was recorded as difference in transactions with non-controlling interest.

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In 2012, WJP, a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp7,525,000,000 was recorded as difference in transactions with non-controlling interest.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd from Mappletree LM Pte. Ltd, a third party, and thus the ownership of Peninsula increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp177,677,727,750 was recorded as difference in transactions with non-controlling interest.

The following is the calculation of the difference in transactions with non-controlling interest:

	September 30, 2016	December 31, 2015
	Rp	Rp
Shares Acquired from Non-Controlling Interest		
Acquisition Cost	(384,406,170,421)	(384,406,170,421)
Net Asset Value of Acquired	163,553,107,510	163,553,107,510
Difference from Foreign Currency Translations	(21,105,562,928)	(21,105,562,928)
Subtotal	(241,958,625,839)	(241,958,625,839)
Shares Disposal to Non-Controlling Interest		
Purchase Consideration	3,244,463,500,000	2,047,900,000,000
Net Assets Disposed	(415,201,945,131)	(254,756,946,500)
Subtotal	2,829,261,554,869	1,793,143,053,500
<b>Total</b>	<b>2,587,302,929,030</b>	<b>1,551,184,427,661</b>

**33. Other Equity Components**

On September 2, 2013, PT Siloam International Hospitals Tbk (SIH), a subsidiary, issued shares to public through initial public offering of 156,100,000 shares in Indonesia Stock Exchange. On the issuance of such new shares, the ownership of the Group in SIH changed from 100% to 85.99%. Changes in the value of investment before and after the transaction is Rp1,105,101,368,218.

**34. Cash Dividend and Reserved Fund**

Based on Deed of Annual General Meeting of Stockholders No.55 dated March 24, 2016 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp80,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2015.

Based on Deed of Annual General Meeting of Stockholders No. 39 dated June 12, 2015 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp380,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2014.

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**35. Other Comprehensive Income**

	September 30, 2016 Rp	December 31, 2015 Rp
Gain from Translations Financial Statements in Foreign Currency	406,738,249,253	426,111,052,423
Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets	753,697,725,899	55,912,286,591
<b>Total</b>	<b>1,160,435,975,152</b>	<b>482,023,339,014</b>

**Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets**

	September 30, 2016 Rp	December 31, 2015 Rp
<u>Investment FREIT (see Note 5)</u>		
Bridgewater International Ltd	725,898,961,718	552,993,489,390
Bowsprit Capital Corporation Ltd	172,462,898,529	121,247,751,413
PT Menara Tirta Indah	253,169,945,284	200,253,526,030
<u>Investment LMIRT (see Note 5)</u>		
Bridgewater International Ltd	(472,971,684,676)	(783,757,278,190)
LMIRT Management Ltd	45,457,991,340	(44,523,482,517)
<u>Investment KIJA (see Note 5)</u>		
Intellitop Finance Limited	29,679,613,704	9,698,280,465
<b>Total</b>	<b>753,697,725,899</b>	<b>55,912,286,591</b>

**36. Non-Controlling Interests**

Details of non-controlling interests in the equity of consolidated subsidiaries as of September 30, 2016 and December 31, 2015 are as follows:

	September 30, 2016 Rp	December 31, 2015 Rp
PT Lippo Cikarang Tbk	1,864,248,763,752	1,657,872,859,101
PT Siloam International Hospitals Tbk	711,263,417,161	499,034,941,181
PT Gowa Makassar Tourism Development Tbk	263,438,785,940	236,778,714,915
First Pacific (Asia) Ltd	64,099,938,091	29,802,131,994
PT Mapalus Mancacakti	35,599,533,095	21,407,229,363
PT Darma Sarana Nusa Pratama	32,692,407,509	29,941,938,144
PT Metropolitan Permaisemesta	22,833,896,856	22,858,346,961
PT Pelangi Cahaya Intan Makmur	16,768,008,647	19,616,382,887
PT Satyagraha Dinamika Unggul	12,193,412,084	(9,473,421,731)
Others (below Rp10 billion each)	30,622,597,339	14,784,559,076
<b>Total</b>	<b>3,053,760,760,474</b>	<b>2,522,623,681,891</b>

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**37. Revenues**

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
Urban Development:		
Residential Houses and Shophouses	854,856,499,402	958,918,722,110
Land Lots	245,890,508,264	391,088,773,852
Memorial Park	107,600,071,341	144,794,306,276
Asset Enhancements	103,255,830,585	79,868,819,359
Others	98,434,341,628	21,872,713,891
Subtotal	<u>1,410,037,251,220</u>	<u>1,596,543,335,488</u>
Large Scale Integrated Development:		
Apartments	982,075,573,497	1,154,387,557,130
Asset Enhancements	19,503,135,000	19,503,135,000
Subtotal	<u>1,001,578,708,497</u>	<u>1,173,890,692,130</u>
Retail Malls:		
Asset Enhancements	260,570,716,842	178,568,660,136
Shopping Center	--	989,575,751
Subtotal	<u>260,570,716,842</u>	<u>179,558,235,887</u>
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	846,261,965,982	705,419,048,277
Drugs and Medical Supplies	816,630,800,256	643,789,973,960
Ward Fees	349,813,628,374	268,747,008,343
Hospital Facilities	164,643,821,306	109,591,414,259
Operating Theater	91,341,010,184	81,808,341,595
Administration Fees and Others	94,825,460,233	74,056,068,176
Outpatient Department		
Medical Support Services and Professional Fees	879,688,553,435	692,572,735,098
Drugs and Medical Supplies	448,368,144,169	348,657,285,302
Hospital Facilities	63,244,520,651	41,100,610,330
Registration Fees	44,728,181,258	29,615,951,686
Others	24,826,544,187	17,783,705,627
Subtotal	<u>3,824,372,630,035</u>	<u>3,013,142,142,653</u>
Hospitality and Infrastructure:		
Town Management	227,369,062,438	184,261,852,348
Hotels and Restaurants	226,698,667,595	208,930,400,665
Water and Sewage Treatment	99,946,975,687	95,896,320,251
Recreations and Sports	50,440,798,520	51,671,766,690
Others	36,488,292,196	21,871,231,752
Subtotal	<u>640,943,796,436</u>	<u>562,631,571,706</u>
Property and Portfolio Management:		
Management Fees	287,859,259,297	232,852,094,180
<b>Total</b>	<b><u>7,425,362,362,327</u></b>	<b><u>6,758,618,072,044</u></b>

Management fees revenue represents revenue from management services of shopping centers and manager of REIT. Assets enhancement revenue represents revenue from leasing of the Group's assets. There are no sales above 10% of net revenues for respective periods.

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**38. Cost of Revenues**

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
Urban Development:		
Residential Houses and Shophouses	346,569,643,848	353,447,191,897
Land Lots	155,385,878,122	98,507,841,709
Memorial Park	16,671,785,930	24,549,613,040
Asset Enhancements	6,614,323,127	1,117,623,640
Others	36,738,445,223	13,689,384,436
Subtotal	<u>561,980,076,250</u>	<u>491,311,654,722</u>
Large Scale Integrated Development:		
Apartments	538,817,059,613	577,384,594,177
Asset Enhancements	1,251,773,404	1,251,773,404
Subtotal	<u>540,068,833,017</u>	<u>578,636,367,581</u>
Retail Malls:		
Asset Enhancements	4,376,017,308	8,604,826,964
Shopping Center	--	400,117,384
Subtotal	<u>4,376,017,308</u>	<u>9,004,944,348</u>
Healthcare:		
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	716,758,383,429	619,719,987,273
Drugs and Medical Supplies	448,157,680,895	379,459,968,595
Depreciation (see Note 14)	119,326,476,147	110,918,903,009
Clinical Supplies	63,752,698,018	48,156,791,009
Food and Beverages	58,467,640,890	47,826,886,535
Referral Fees	37,168,256,522	30,766,075,681
Repair and Maintenance	12,608,035,344	11,051,132,962
Others	190,692,605,296	55,126,016,320
Outpatient Department		
Professional Fees, Salaries and Employee Benefits	472,173,006,917	405,765,750,743
Drugs and Medical Supplies	345,095,617,010	281,690,096,553
Depreciation (see Note 14)	72,374,181,254	63,771,891,905
Clinical Supplies	26,176,532,152	37,590,117,108
Referral Fees	49,477,566,476	23,023,458,747
Repair and Maintenance	9,166,682,254	8,589,193,521
Others	81,342,093,970	33,211,746,624
Subtotal	<u>2,702,737,456,574</u>	<u>2,156,668,016,585</u>
Hospitality and Infrastructure:		
Town Management	144,750,561,757	109,401,200,828
Hotels and Restaurants	92,762,444,744	78,003,035,985
Water and Sewage Treatment	44,171,115,759	72,055,688,542
Recreations and Sports	15,529,779,048	16,550,250,420
Others	17,473,279,576	10,265,030,591
Subtotal	<u>314,687,180,884</u>	<u>286,275,206,366</u>
Property and Portfolio Management:		
Management Fees	9,275,342,487	13,538,482,811
<b>Total</b>	<b><u>4,133,124,906,520</u></b>	<b><u>3,535,434,672,413</u></b>

There are no purchases above 10% of net revenues for respective periods.

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**39. Operating Expenses**

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
<b><u>Selling Expenses</u></b>		
Salaries and Employee Benefits	138,784,910,982	107,730,445,070
Advertising and Marketing	101,251,432,655	134,168,638,622
Depreciation (see Notes 13 and 14)	27,298,507,765	17,487,155,389
Repairs and Maintenance	24,815,778,363	23,174,273,666
Electricity and Water	24,802,722,139	7,183,125,284
Management Fees	15,905,187,796	30,338,775,377
Transportation and Accommodation	10,593,018,386	12,755,199,221
Rental - Net	9,903,833,616	3,992,667,374
Office Supplies	5,625,789,287	3,597,991,173
Others	31,067,423,508	14,301,274,316
Subtotal	<u>390,048,604,497</u>	<u>354,729,545,492</u>
<b><u>General and Administrative Expenses</u></b>		
Salaries and Employee Benefits	609,830,208,540	597,747,843,033
Rental - Net	244,827,718,323	48,728,013,933
Depreciation (see Note 14)	140,916,984,053	137,481,894,385
Electricity and Water	119,589,274,801	106,761,788,453
Professional Fees	75,910,807,281	76,093,349,951
Transportation and Accommodation	67,390,036,674	66,958,437,585
Repairs and Maintenance	45,418,046,250	36,333,705,612
Office Supplies	40,279,210,885	32,196,230,558
Communication	21,868,556,869	19,979,272,968
Training and Seminar	21,265,156,349	23,608,336,881
Insurance	19,455,090,347	16,337,726,661
Membership and Subscription Fees	9,021,109,476	6,529,355,830
Others	153,920,139,035	223,198,822,314
Subtotal	<u>1,569,692,338,883</u>	<u>1,391,954,778,164</u>
<b>Total</b>	<b><u>1,959,740,943,380</u></b>	<b><u>1,746,684,323,656</u></b>

**40. Financial Income (Charges) - Net**

	<b>2016 (9 Months) Rp</b>	<b>2015 (9 Months) Rp</b>
Interest Income	63,451,717,716	61,067,370,421
Financial Expenses	(166,408,423,623)	(153,105,083,169)
Interest Expenses	(143,274,295,861)	(6,650,775,495)
<b>Financial Charges - Net</b>	<b><u>(246,231,001,768)</u></b>	<b><u>(98,688,488,243)</u></b>

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 3 and 9), Financial charges represent hedging cost, bank charges, using electronic data capture (EDC) machine and interest subsidy on mortgages for houses and apartments (KPR and KPA), while interest expense represents interest on loans (see Notes 21, 23 and 24).



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**41. Other Income (Expenses) - Net**

	<b>2016</b> <b>(9 Months)</b> <b>Rp</b>	<b>2015</b> <b>(9 Months)</b> <b>Rp</b>
<b>Other Income</b>		
Gain on Foreign Exchange - Net	202,058,774,218	--
Dividend Income	189,703,948,160	157,072,812,056
Others	--	42,074,105,319
<b>Total Other Income</b>	<b>391,762,722,378</b>	<b>199,146,917,375</b>
<b>Other Expenses</b>		
Amortization Expense	49,695,413,977	53,175,228,052
Loss on Sale of Property and Equipment	65,221,308	--
Loss on Foreign Exchange - Net	--	785,740,708,106
Others	80,290,380,967	--
<b>Total Other Expenses</b>	<b>130,051,016,252</b>	<b>838,915,936,158</b>

**Dividend Income**

Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. and PT Menara Tirta Indah, all subsidiaries.

**42. Basic Earnings Per Share**

The calculation of basic earnings per share is as follows:

	<b>2016</b> <b>(9 Months)</b>	<b>2015</b> <b>(9 Months)</b>
Profit for the Period Attributable to Owner of the Parent (Rupiah)	664,589,589,576	66,398,354,583
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	29.19	2.92

**43. Commitments**

**a. Operational and Management Agreements**

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.
- On April 9, 2006, PT Lippo Malls Indonesia (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp94,100,000,000 and Rp75,200,000,000, respectively.
- LMIRT Management Ltd (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as a trustee of Lippo-Malls Indonesia Retail Trust (LMIR Trust) effective from the listing date of LMIR Trust (November 14, 2007). Based on the agreement, LMIR TM will provide management services to LMIR Trust, among others, investment strategic and investment as well as divestment recommendations. For such services, LMIR TM shall receive certain compensation as stated in the agreement.

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- Group entered into several agreements with contractors for the development of their projects. As of September 30, 2016, the outstanding commitments amounted to Rp12,204,245,483,728 with commitments not yet realized of Rp1,822,634,150,175. In 2015, total outstanding commitment amounted to Rp10,967,368,997,703 with commitments not yet realized amounted to Rp1,664,574,315,151.

**b. Rental Agreements**

- Based on Deeds of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono, S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which are owned 100% directly by Lovage International Pte. Ltd., Henley Investments Pte. Ltd., Primerich Investment Pte. Ltd. and Got Pte. Ltd., whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp124,775,268,437 and Rp124,574,963,593, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No. 146/2010, PT East Jakarta Medika (EJM), a subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First REIT at the selling price of SGD33,333,333 and leased back the Property.

Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from the Company on October 10, 2011, entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist base rent and variable rent. Base rent was determined in the first year and will be adjusted subsequently, while variable rent will be commenced in the second year based on certain percentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subject to 2% penalty plus average lending rate of 3 banks in Singapore.

As this sale and leaseback transaction met the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp14,862,087,757 and Rp14,590,399,905, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of "Mochtar Riady Comprehensive Cancer Centre" (MRCCC) for 15 years. The Company shall pay certain amount as stipulated in the agreement.

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Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp101,916,359,551 and Rp105,211,084,061, respectively.

- On January 7, 2012, PT Siloam International Hospitals Tbk (SIH) entered into a lease agreement of building of Siloam Hospitals Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years since the grand opening of the hospital and include a rental free years (grace year) for 3 (three) months after the grand opening of the hospital.

Based on the agreement, Siloam Sriwijaya shall pay a rental fee amounted to Rp3,000,000,000 and increase by Rp500,000,000 in every three years, which will be paid in advance for each year, not later than 10 (ten) day of 1 (first) month of lease period.

On October 5, 2012, PM entered into transfer of property ownership agreement with PT Bisma Pratama Karya, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement.

On January 2, 2014, PT RS Siloam Hospitals Sumsel entered into a lease agreement of building of Siloam Hospitals Palembang (Siloam Sriwijaya) with PT Bisma Pratama Karya. This agreement was terminated based on termination agreement on December 2, 2014 due to novation of building. On December 2, 2014, PT RS Siloam Sumsel entered into a lease agreement of hospital building of Siloam Sriwijaya with PT Metropolis Propertindo Utama. This agreement is valid for 15 years since the issuance of business license of Siloam Sriwijaya dated November 6, 2013 and will be expired in one year. Rental expense will be paid quarterly.

Rental expense for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp2,604,608,152 and Rp2,230,712,857, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of "Hotel Aryaduta and Rumah Sakit Siloam Manado" for 15 years. The Company shall pay certain amount as stipulated in the agreement.

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp44,047,324,413 and Rp43,826,594,203, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presences of Maria Josefina Grace Kawi Tandiar S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (the property) to PT Bayutama Sukses (BS), where BS is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp467,287,558,000 and the property is leased back.

Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement for 15 years. The Company shall pay certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of an operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp30,414,493,297 and Rp30,000,347,224, respectively.

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- Based on Deed of Sale and Purchase Agreement Nos. 25/2013, 26/2013, 27/2013, 28/2013, 29/2013, 30/2013, and 31/2013 which are all dated May 13, 2013, made in the presence of Ambo Enre, S.H., a notary in Badung, PT Buana Mandiri Selaras (BMS), a subsidiary, sold the land and buildings of Siloam Hospitals Bali (the property) to PT Dasa Graha Jaya (DGJ), where DGJ is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, the Company entered into a lease agreement for 15 years. The Company will pay a certain amount as stipulated in the agreement.

Sale and lease back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp57,187,929,698 and Rp56,628,000,001, respectively.

- Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, The Company entered into a lease agreement with PT Perisai Dunia Sejahtera (PDS), the owner of the land and building of "TB Simatupang Siloam Hospitals" for 15 years. The Company will pay a certain amount as stipulated in the agreement.

Rental expense of sale and lease-back transaction for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp54,528,564,945 and Rp54,171,000,000, respectively.

- In February 2005, PT Diagram Healthcare Indonesia (DHI), a subsidiary, entered into a lease agreement on hospital building of Siloam Hospitals Cinere with PT Anadi Sarana Tatahusada. This agreement is valid for 13 years with total rental amount of Rp12,000,000,000.

Rental expense for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp761,538,462 and Rp761,538,462, respectively.

- On May 28, 2014, PT Berlian Cahaya Indah, a subsidiary, entered into a lease agreement on building of Siloam Hospitals Purwakarta with PT Metropolis Propertindo Utama. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license Siloam Purwakarta is dated May 14, 2014 and will expire in one year. Rental expense will be paid quarterly.

Rental expense for the 9 (nine) months periods ended September 30, 2016 and 2015 amounted to Rp2,536,294,049 and Rp438,369,579, respectively.

- On December 20, 2014, PT Krisolis Jaya Mandiri, a subsidiary, entered into a lease agreement on building of Siloam Hospitals Kupang with PT Busa Bahana Niaga. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Kupang. Business license Siloam Kupang is dated December 1, 2014. Rental expense will be paid quarterly.

Rental expense for the 9 (nine) months period ended September 30, 2016 and 2015 amounted to Rp984,201,150 and nil.

**c. Master Agreement between PT Siloam International Hospitals Tbk (SIH), a subsidiary, with PT Metropolis Propertindo Utama (MPU)**

On April 30, 2013, SIH entered into a preliminary agreement with MPU which include:

- Sale and purchase of shares of Siloam Hospitals Malang, Siloam Hospitals Salemba and Siloam Hospitals Surabaya Sea Master;
- Right to build properties that will be used as Siloam Hospitals Padang, Siloam Hospitals

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Bangka Belitung, Siloam Hospitals Semarang Srandol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono, Siloam Hospitals Salemba and Siloam Hospitals Lampung;

- Property lease agreement that will be used as Siloam Hospitals Surabaya Sea Master, Siloam Hospitals Pluit and Siloam Hospitals Cempaka Putih; and
- The agreement to offer certain property to be operated as Siloam Hospitals Ambon, Siloam Hospitals Lubuk Linggau, Siloam Hospitals Manado Kairagi, Siloam Hospitals Serang and Siloam Hospitals Pekanbaru.

**d. Hedging Transaction Agreements on Bonds denominated in U.S. Dollar**

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Morgan Stanley & Co International Plc (MS), amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 1.26%. On August 16, 2016, the Company restructured the transaction with the new strike price between Rp12,500 – Rp14,000 with annual premium rate of 0.08%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD3,822,608 (equivalent Rp49,686,261,752).
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Deutsche Bank AG (DB), Singapore branch, amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.26%. On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. On August 16, 2016, the Company restructured the transaction with the new strike price between Rp11,500 and Rp14,000 with annual premium rate of 0.485%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD6,834,139 (equivalent Rp88,830,142,145).
- On June 5, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with J.P Morgan (S.E.A) (JPM) Limited, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.18%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.18%. On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.429%. On April 24, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.429%. On September 27, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. On August 16, 2016, the Company ended and continued the transactions with JPM, Singapore Branch, amounting to USD50,000,000 for strike prices between Rp11,500 – Rp14,000 with an annual premium rate of 0.32%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD6,358,516 (equivalent Rp82,647,988,030).
- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Nomura International Plc (NIP), United Kingdom branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.125%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,200 with an annual premium

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rate of 1.125%. On August 16, 2016, the Company restructured the transaction with new strike prices between Rp12,500 – Rp14,000 with an annual premium rate of 0.05%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD2,254,195 (equivalent Rp29,300,032,680).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP Paribas (BNP), Paris branch, amounting to USD115,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 21, 2015, the Company replaced the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,205 with an annual premium rate of 0.69%. Premium will be paid every May 16 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD15,727,305 (equivalent Rp204,423,516,744).
- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 24, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 0.69%. Premium will be paid every May 14 and November 14. This transaction will due on November 16, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD17,830,271 (equivalent Rp231,757,857,003).
- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD 21,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.685%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.685%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD2,733,780 (equivalent Rp35,533,671,050).
- On January 15, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD97,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.525%. On April 21, 2015, the Company terminated and restructured the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.525%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD13,171,650 (equivalent Rp171,205,110,096).
- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom branch, amounting to USD 50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.440%. On September 23, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom Branch, amounting to USD50,000,000 for strike prices Rp11,500 and Rp12,500 with an annual premium rate of 0.83%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 – 13,200 with an annual premium rate of 2.27%. On August 16, 2016, the Company restructured the transaction with the new strike prices between Rp11,500 – Rp14,000 with an annual premium rate of 0.45%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD6,336,394 (equivalent Rp82,360,445,978).
- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD30,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.075%. On April 21, 2015, the Company replaced the transaction with the new strike prices between Rp10,200 - Rp11,500 and

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Rp12,500 – 13,205 with an annual premium rate of 1.075%. Premium will be paid every May 14 and November 14. This transaction will due on November 16, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD3,697,324 (equivalent Rp48,057,815,119).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.450%. On April 24, 2015, the Company replaced the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.450%. On August 16, 2016, the Company restructured the transaction with the new strike prices Rp12,500 and Rp14,000 with an annual premium rate of 0.12%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD3,304,992 (equivalent Rp42,958,280,143).
- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD100,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate of 0.80%. On August 16, 2016, the Company ended and continued the transactions with the new strike prices between Rp11,500 – Rp12,500 with an annual premium rate of 0.385%. Premium will be paid every April 11 and October 11. This transaction will due on August 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD8,279,508 (equivalent Rp107,617,050,078).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD3,532,611 (equivalent Rp45,916,872,088).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD63,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 16, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD4,040,685 (equivalent Rp52,520,818,814).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD3,795,589 (equivalent Rp49,335,070,270).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices option of Rp11,500 - Rp12,500 with an annual premium rate of 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 16, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD6,571,163 (equivalent Rp85,411,975,319).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of September 30, 2016, the fair value of this transaction amounted to USD2,495,329 (ekuivalen Rp32,434,287,089).

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- On April 24, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate of 1.20%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD3,540,783 (equivalent Rp46,023,101,033).
- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate of 1.14%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD3,784,126 (equivalent Rp49,186,063,603).
- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate of 1.205%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD4,193,383 (equivalent Rp54,505,591,563).
- On June 6, 2016, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD100,000,000 for strike prices of Rp13,500 – Rp14,000 with an annual premium rate of 0.490%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD1,211,060 (equivalent Rp15,741,363,621).
- On June 6, 2016, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD50,000,000 for strike prices of Rp13,500 – Rp14,000 with annual premium rate of 0.480%. Premium will be paid every April 11 and October 11. This transaction will be due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD295,822 (equivalent Rp3,845,093,085).
- On August 16, 2016, the Company entered into Non Deliverable USD Call Spread Option transaction with JPM, Singapore Branch, amounting to USD10,000,000 for strike prices between Rp11,500 – Rp14,000 with an annual premium rate of 2.3%. Premium will be paid every April 11 and October 11. This transaction will be due on April 11, 2022. As of September 30, 2016, the fair value of this transaction amounted to USD395,671 (equivalent Rp5,142,932,352).

**e. Sale Purchases and Swap Agreement**

On October 2015, PT Saputra Karya (SK), a subsidiary, and PT Tata Prima Indah (TPI), a subsidiary of LMIR Trust, entered into an agreement of sales, purchase, construct and swap of land and property of Siloam Hospitals Surabaya (existing SHS) located in Gubeng Surabaya. As agreed in the agreement, SK will buy a parcel of land owned by TPI, located next to the land owned by SK in Gubeng, Surabaya, at the price of Rp79,150,000,000. Upon the purchasing of TPI's land, SK has the obligation to construct the new Siloam Hospitals Surabaya (new SHS) on its land (existing land and the land purchased from TPI). After the new SHS construction completed, SK will sell the new SHS to TPI with at the price of Rp873,190,000,000. After the new SHS transferred process completed, TPI will sell back the existing SHS to SK at the price of Rp265,450,000,000.

**f. Joint operation Agreement**

PT Megakreasi Cikarang Damai, a subsidiary, entered the joint operation agreement for managing Delta Silicon 8 with PT Cikarang Hijau Indah as the owner's of the 227 hectare of land. Based on the Deed No.26 dated July 24, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H., a notary in Tangerang, the joint operation includes planning, development, construction, marketing, selling, rental and managing of land area of the joint operation as the industrial area including its infrastructures and facilities. Term of the agreement is two (2) years and will be automatically extended if sales have been reached 50% of the total available land. Until September 30, 2016 and December 31, 2015, the selling of land had reached 63 hectares and 60 hectares, respectively.



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**g. Sales & Purchase Agreement**

- On January 8, 2016, PT Pamor Paramita Utama, a subsidiary, entered into conditional sales and purchase agreement Lippo Mall Kuta (Bali) to Lippo Mall Indonesia Retail Trust (LMIRT), the transfer price amounted to Rp800 billion. As of the date of interim consolidated financial statements, there has been no payment from LMIRT.
- On February 3, 2016, PT Mulia Citra Abadi, a subsidiary, entered into conditional sale and purchase agreement property of Siloam Hospitals Yogyakarta and Lippo Plaza Yogyakarta to First REIT and LMIRT, together with the transfer price amounted to Rp900 billion. As of the date of interim consolidated financial statements, there has been no payment from First REIT and LMIRT.

**44. Operating Segment**

An operating segment is a component of the entity that engages in business activity whose operating results are regularly reviewed by management, and its financial information can be presented separately.

The Company has six (6) operating segments i.e.,:

- Urban development, which comprises, among others, activities in real estate in urban development and development of facilities and its infrastructure.
- Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
- Retail malls, which comprises, among others, activities in real estate in development and management of shopping center.
- Healthcare, which comprises activities in health services.
- Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
- Property and portfolio management, which comprises, among others, activities in management services.

The following are Group's operating segment as of September 30, 2016 and 2015:

	2016 (9 Months)						(In Thousand Rupiah)
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Revenues	1,483,787,823	1,001,578,708	260,570,717	3,824,372,630	640,943,796	287,859,259	7,425,362,362
Tax Expense - Final	(95,538,231)	(51,054,092)	(25,147,173)	--	--	--	(171,739,496)
Revenues - Net	1,388,249,592	950,524,616	235,423,544	3,824,372,630	640,943,796	287,859,259	7,253,622,866
Gross Profit	826,269,515	410,455,783	231,047,527	1,121,635,173	326,256,616	278,583,917	3,120,497,960
Selling Expenses	(174,766,152)	(43,507,376)	(59,827,226)	(49,471,987)	(8,308,001)	(61,021,806)	6,853,944
General and Administrative Expense	(465,411,005)	(49,143,762)	(20,869,866)	(858,837,761)	(140,972,904)	(101,353,667)	(1,569,692,339)
Interest Income	58,227,283	21,607,057	743,102	2,068,378	968,755	1,145,723	63,451,717
Financial Charges	(141,683,220)	(119,787,731)	(26,417,267)	(40,976,505)	(2,087,335)	(39,242)	(309,682,718)
Other Income (Expenses) - Net	366,060,457	(63,345,506)	(41,290,335)	(22,093,890)	(19,754,631)	42,135,611	261,711,706
Share in the profit of Associates and Joint Venture	7,029,017	--	--	--	--	--	7,029,017
<b>Profit Before Tax</b>	<b>475,725,895</b>	<b>156,278,465</b>	<b>83,385,935</b>	<b>152,323,408</b>	<b>156,102,500</b>	<b>159,450,536</b>	<b>1,183,266,739</b>
Tax Benefit (Expense)							
Current	(90,812,515)	--	--	(68,019,517)	(16,582,805)	(23,408,197)	(198,823,034)
Deferred	(627,711)	--	--	10,527,548	3,763,561	(3,601,002)	10,062,396
<b>Profit for the Period</b>	<b>384,285,669</b>	<b>156,278,465</b>	<b>83,385,935</b>	<b>94,831,439</b>	<b>143,283,256</b>	<b>132,441,337</b>	<b>994,506,101</b>
Profit for the period attributable to:							
Owner of the Parent	79,342,053	142,042,887	82,312,824	86,496,675	143,283,256	131,111,895	664,589,590
Non-Controlling Interests	304,943,616	14,235,578	1,073,111	8,334,764	--	1,329,442	329,916,511
	<b>384,285,669</b>	<b>156,278,465</b>	<b>83,385,935</b>	<b>94,831,439</b>	<b>143,283,256</b>	<b>132,441,337</b>	<b>994,506,101</b>
Capital Expenditures	126,504,564	47,036,492	2,679,734	292,145,067	11,871,695	--	480,237,552
Depreciation	49,132,992	2,530,356	7,574,268	269,043,488	35,992,606	4,175,131	368,448,841
Non-Cash Expenses Other than Depreciation	49,577,520	--	117,894	--	--	--	49,695,414

These interim consolidated financial statements are originally issued in Indonesian language

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September 30, 2016 (In Thousand Rupiah)							
Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
Rp	Rp	Rp	Rp	Rp	Rp		Rp
Segment Assets	27,866,756,886	8,022,314,874	2,534,338,435	3,305,380,632	732,577,880	1,835,210,494	--
Investment in Associates and Joint Venture	525,063,561	--	--	--	--	--	525,063,561
<b>Total Assets</b>	<b>28,391,820,447</b>	<b>8,022,314,874</b>	<b>2,534,338,435</b>	<b>3,305,380,632</b>	<b>732,577,880</b>	<b>1,835,210,494</b>	<b>44,821,642,762</b>
<b>Segment Liabilities</b>	<b>17,736,834,601</b>	<b>3,090,994,622</b>	<b>794,538,054</b>	<b>1,119,070,120</b>	<b>123,590,527</b>	<b>184,965,087</b>	<b>23,049,993,011</b>

  

2015 (9 Months) (In Thousand Rupiah)							
Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Revenues	1,630,391,988	1,173,890,692	179,558,236	3,013,142,143	562,631,572	232,852,094	(33,848,653)
Tax Expense - Final	(84,565,470)	(59,984,667)	(17,843,435)	--	--	--	--
Revenues - Net	1,545,826,518	1,113,906,025	161,714,801	3,013,142,143	562,631,572	232,852,094	(33,848,653)
Gross Profit	1,054,514,865	535,269,657	152,709,857	856,474,126	276,356,365	219,313,611	(33,848,653)
Selling Expenses	(178,868,104)	(46,115,193)	(51,473,092)	(24,426,828)	(7,928,886)	(54,776,976)	8,859,534
General and Administrative Expense	(426,559,120)	(74,761,354)	(35,638,696)	(670,238,081)	(120,127,407)	(89,619,239)	24,989,119
Interest Income	64,945,947	7,246,272	1,000,393	4,040,130	771,511	443,720	(17,380,603)
Financial Charges	(130,100,757)	(2,555,894)	(228,410)	(41,922,232)	(2,271,871)	(57,298)	17,380,603
Other Income (Expenses) - Net	(677,160,450)	68,815,920	(13,595,824)	(20,885,623)	(20,420,818)	23,477,776	--
Loss on Disposal of Available-for-Sale Financial Assets	--	--	--	--	--	(15,437,852)	--
Share in the profit of Associates and Joint Venture	(7,885,865)	--	--	--	16,400,215	--	--
<b>Profit Before Tax</b>	<b>(301,113,484)</b>	<b>487,899,408</b>	<b>52,774,228</b>	<b>103,041,492</b>	<b>142,779,109</b>	<b>83,343,742</b>	<b>568,724,495</b>
Tax Benefit (Expense)							
Current	(57,054,666)	--	--	(37,720,729)	(13,340,049)	(16,716,806)	--
Deferred	6,360,349	--	--	(2,284,593)	(3,965,945)	653,936	--
<b>Profit for the Period</b>	<b>(351,807,801)</b>	<b>487,899,408</b>	<b>52,774,228</b>	<b>63,036,170</b>	<b>125,473,115</b>	<b>67,280,872</b>	<b>444,655,992</b>
Profit for the period attributable to:							
Owner of the Parent Company	(654,228,631)	366,393,709	51,873,356	70,397,573	133,405,005	98,557,343	--
Non-Controlling Interest	302,420,830	121,505,699	900,872	(7,361,403)	(7,931,890)	(31,276,471)	--
	<b>(351,807,801)</b>	<b>487,899,408</b>	<b>52,774,228</b>	<b>63,036,170</b>	<b>125,473,115</b>	<b>67,280,872</b>	<b>444,655,992</b>
<b>Capital Expenditures</b>	74,599,564	--	51,319,137	126,803,931	28,060,959	--	--
<b>Depreciation</b>	43,345,924	4,720,098	4,705,498	250,309,119	33,556,586	1,972,637	--
<b>Non-Cash Expenses Other than Depreciation</b>	60,724,495	1,511,322	11,934	10,825,349	1,761,944	2,804,025	--

December 31, 2015 (In Thousand Rupiah)							
Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Segment Assets	25,224,137,495	8,179,388,617	2,322,473,714	2,986,270,148	687,780,866	1,541,236,604	--
Investment in Associates and Joint Venture	383,545,321	--	--	--	1,725,413	--	385,270,734
<b>Total Assets</b>	<b>25,607,682,816</b>	<b>8,179,388,617</b>	<b>2,322,473,714</b>	<b>2,986,270,148</b>	<b>689,506,279</b>	<b>1,541,236,604</b>	<b>41,326,558,178</b>
<b>Segment Liabilities</b>	<b>15,938,194,618</b>	<b>4,177,183,594</b>	<b>777,199,726</b>	<b>1,246,318,520</b>	<b>67,878,739</b>	<b>203,018,423</b>	<b>22,409,793,620</b>

## 45. Monetary Asset and Liabilities Denominated in Foreign Currencies

September 30, 2016						
	Foreign Currencies					Equivalent in Rupiah
	USD	JPY	SGD	EUR	AUD	
<b>Assets</b>						
Cash and Cash Equivalents	16,967,125	9,739	11,653,381	113,184	12,447	333,276,925,163
Trade Accounts Receivable	3,350,433	--	5,059,365	--	--	91,724,201,664
Other Current Financial Assets	--	--	16,293,530	--	--	155,146,992,660
Other Non-Current Financial Assets	--	--	5,264,892	--	--	50,132,301,624
<b>Total Assets</b>	<b>20,317,558</b>	<b>9,739</b>	<b>38,271,168</b>	<b>113,184</b>	<b>12,447</b>	<b>630,280,421,111</b>
<b>Liabilities</b>						
Trade Accounts Payable	1,187,677	--	4,683,329	59,800	5,543	60,958,850,800
Accrued Expenses	28,104,599	--	816,799	--	--	373,081,137,880
Bonds Payable	813,306,000	--	--	--	--	10,571,351,388,000
<b>Total Liabilities</b>	<b>842,598,276</b>	<b>--</b>	<b>5,500,128</b>	<b>59,800</b>	<b>5,543</b>	<b>11,005,391,376,680</b>
<b>Net Assets (Liabilities)</b>	<b>(822,280,718)</b>	<b>9,739</b>	<b>32,771,040</b>	<b>53,384</b>	<b>6,904</b>	<b>(10,375,110,955,569)</b>

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	December 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
Cash and Cash Equivalents	16,638,757	113,800	20,491,726	206,685	356,340	437,354,595,949
Trade Accounts Receivable	4,060,235	--	2,122,398	--	--	76,706,847,979
Other Current Financial Assets	781,600	--	13,303,158	--	--	140,503,793,258
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,442,414,274
Total Assets	21,480,592	113,800	40,987,680	206,685	356,340	704,007,651,460
<b>Liabilities</b>						
Trade Accounts Payable	960,537	--	2,930,771	32,535	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,535	--	11,271,141,651,217
<b>Net Assets (Liabilities)</b>	<b>(792,205,382)</b>	<b>113,800</b>	<b>36,285,331</b>	<b>174,150</b>	<b>356,340</b>	<b>(10,567,133,999,757)</b>

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 43.d).

#### 46. Contingencies

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to PT Siloam International Hospitals (SIH), a subsidiary, as defendant regarding the termination of plaintiff's work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 however, the plaintiff's claim is granted through the decision of the High Court of Jakarta No.626/PDT/2009/PT.DKI date June 29, 2010.

On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court (SC). Then based on the contents of the Decision Notice Relas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000. The decision of the Supreme Court mentioned above have been legally binding.

Responding to the verdict, on September 13, 2015, SIH filed a judicial review to the Supreme Court. As of the report date, the Company has not received further notice from the Supreme Court.

- On April 6, 2016, Lay Meliana Fransisca, the plaintiff, file a lawsuit No. 10/G/2016/PTUN.SRG to PT Lippo Karawaci Tbk in connection with the cancellation of Building Rights (HGB) No.6957/Bencongan in the name of PT Lippo Karawaci Tbk. Until the completion date of the interim consolidated financial statements, the case is still under examination in the District Court of Serang.
- On October 1, 2012, Wahyu Indrawan, the plaintiff, filed a lawsuit No. 71/Pdt.G/2012/PN.JBI to PT Golden First Atlanta (GFA), a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff's spouse. All claims were declined through decision of District Court Jambi No. 71/Pdt.G/2012/PN.JBI dated July 23, 2013 and was upheld on December 18, 2013, through the decision of the High Court of Jambi No. 63/PDT/2013/PT.JBI. On February 5, 2014, the plaintiff filed appeal to the Supreme Court. Until completion date of the interim consolidated financial statements, there has been no remained verdict.

On November 28, 2014, the Supreme Court through Decision No. 1361K/Pdt/2014 rejected the appeal filed by the Plaintiff and strengthened the District Court and High Court Jambi earlier. The verdict of Supreme Court mentioned above was legally binding.

Management believes that the Cassation Decision was legally binding and the Plaintiff can not file other legal remedies due a period of time to file an Reconsideration is 180 days from the date decision of cassation based on the laws in force.

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- On August 8, 2014, Drs. Akhmad H. Harris, filed a lawsuit to District Court Tangerang PN 470/ Pdt.G/ 2014/ PN.TNG against SIH with malpractice suffered by the plaintiff. The value of lawsuit filed by the plaintiffs include material damages amounting to Rp906,231,000 and non-material losses of Rp500,000,000,000. All claims of the plaintiff were declined through decision of District Court Tangerang No.470/Pdt.G/2014/PN.TNG dated August 6, 2015.

On August 19, 2015, Plaintiffs filed an appeal against the verdict on December 28, 2015 in Banten High Court has filed the appeal case by case register number 131 / PDT / 2015 / PT.BTN. Until the completion date of the interim consolidated financial statements, the case is still in process.

- On December 16, 2014, dr. Arnold Bobby Soehartono, the plaintiff, filed a lawsuit to the Commercial Court in Surabaya District Court related to the use of plaintiff's portrait by SIH, a subsidiary ("Defendants"). Value of a lawsuit filed by the plaintiffs include compensation for Rp375.229.125 material and non-material losses amounting to Rp8,000,000,000.

The plaintiff's claim is granted through the decision of the Commercial Court in Surabaya District Court based on decision No. 10/HKI.Hak Cipta/2014/PN.Niaga.Sby dated April 13, 2015 where the defendant was punished to pay the compensation to the plaintiff amounted to Rp200,000,000 and force payment amounted to Rp500,000 every day since the decision remained verdict until execution of the legal case.

On April 27, 2015, the defendant filed a cassation on that verdict.

On April 13, 2016, the Supreme Court issued a ruling No. 262K/Pdt.Sus-HKI/2016 which rejected the application of Cassation Defendants and punish the defendant to pay damages to the plaintiff amounted to Rp200,000,000.

Based on applicable laws, SIH may take further legal action for filling reconsideration which deadline maximum of 180 days from the court's decision that accepted by the parties.

- Based on case No. 145/G/206/PTUN.Mks which was filed by Tenri Sompia, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is Defendant of 39,900 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.
- Based on case No. 207/Pdt.G/2010/PN.Mks , GMTD is an Intervention Plaintiff of 60,000 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar controlled by Najmiah Muin Fatimah Kalla. Until the completion date of the interim consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.
- Based on case No. 265/Pdt.G/2011/PN.Mks, GMTD is the Plaintiff of 68,929 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Jhon Tandary. Until the completion date of the interim consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.
- Based on case No. 243/Pdt.G/2011/PN.Mks, which was filed by Nurhayana Pamusereng, GMTD is Defendant of 81,200 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.
- Based on case letter No. 163/Pdt.G/2013/PN.Mks, which was filed by Walfiat Morra, GMTD is the Defendant and Reconvention Plaintiff of 59,996 sqm land area located in Maccini Sombala Village, Tamalate District, Makassar City. Until the completion date of the interim consolidated financial statements, the case is still under appeal at the high court.

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- Based on case No. 228/Pdt.G/2013/PN.Mks, which was filed by H. Lahaba Dg. Gassing, GMTD is Defendant of 3,000 sqm land area, located in the Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on case No. 342/Pdt.G/2014/PN.Mks, GMTD is Plaintiff of 30,376 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on case No. 324/Pdt.G/2014/PN.Mks, which was filed by Bunga Djarung, GMTD is the Defendant VI of 92,000 sqm land area, located in ORK Pattukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on case No. 318/Pdt.Bth/2013/PN.Mks, which was filed by Siti Aminah, GMTD is the Co-Defendant I of 360 sqm land area located in Tanjung Merdeka Village, Tamalate District, Makassar City. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on cases No. 58/Pdt.G/2014/PN.Mks and No. 59/Pdt.G/2014/PN.Mks, which was filed by Basri Kilat, GMTD is the Defendant II of 44,278 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on the cases No. 144/Pdt.G/2014/PN.Mks and No. 145/Pdt.G/2014/PN.Mks, which was filed by Baso Seni, GMTD is Defendant I of 36,600 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still in the process of cassation to the Supreme Court of the Republic of Indonesia.
- Based on the case No. 144/Pdt.G/2015/PN.Mks, which was filed by Syamsir Arief, GMTD is Defendant II of a default lawsuit. Until the completion date of the interim consolidated financial statements, the case is still under examination in the District Court of Makassar.
- Based on the case No. 04/G/2015/PTUN.Mks, GMTD is Plaintiff of 21,530 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Sainal Lonard. Until the completion date of the interim consolidated financial statements, the case is still under appeal.
- Based on the case No. 17/G/2015/PTUN.Mks, which was filed by Koperasi Unit Desa Mina, GMTD is Intervention Defendant II of 38,440 sqm land area located in Mattoangin Village, Mariso District. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

#### **47. Financial Instruments and Financial Risk Management**

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The main financial risks faced by the Group are credit risk, foreign exchange rate risk, liquidity risk, interest risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

The Board of Directors have reviewed the financial risk management policy regularly.

**(i) Credit Risk**

Credit risk is the risk that the Group will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Group's financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other current financial assets, due from related parties non-trade, other non-current financial assets and available-for-sale investment. The maximum total credit risks exposure is equal to the amount of the respective accounts.

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Total maximum credit risk exposure of financial assets on September 30, 2016 and December 31, 2015 are as follows:

	September 30, 2016		31 Desember 2015	
	Carring Value Rp	Maximum Exposure Rp	Carring Value Rp	Maximum Exposure Rp
Financial Assets				
Fair value through profit or loss				
Derivative	1,614,441,339,655	1,614,441,339,655	2,015,953,790,020	2,015,953,790,020
Other Current Financial Assets	100,458,061,367	100,458,061,367	49,008,885,877	49,008,885,877
Loans and Receivables				
Cash and Cash Equivalents	2,055,281,928,940	2,055,281,928,940	1,839,366,003,277	1,839,366,003,277
Trade Accounts Receivable	1,886,088,200,201	1,886,088,200,201	1,434,347,507,641	1,434,347,507,641
Other Current Financial Assets	475,992,127,979	475,992,127,979	863,126,238,670	863,126,238,670
Due from Related Parties Non-trade	31,710,832,058	31,710,832,058	37,093,485,060	37,093,485,060
Other Non-Current Financial Assets	676,168,284,143	676,168,284,143	685,854,507,978	685,854,507,978
Available-for-Sale				
Available-for-Sale Investment	6,668,457,135,231	6,668,457,135,231	5,869,063,440,408	5,869,063,440,408
Investment in Shares	153,213,621,211	153,213,621,211	58,329,023,011	58,329,023,011
Held-to-maturity financial assets				
Investments in Bond	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
<b>Total Financial Assets</b>	<b>13,671,811,530,785</b>	<b>13,671,811,530,785</b>	<b>12,862,142,881,942</b>	<b>12,862,142,881,942</b>

Group manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing global and domestic company.

The following table analyzes assets over due but not impaired and not yet due but not impaired and financial assets that are individually to be impaired:

	September 30, 2016						
	Individually Impaired	Overdue But not Impaired			Not Yet Due and Not Impaired		Total
		0 - 90 Day	91 - 180 Day	> 181 Day	Global Company	Domestic Company	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets							
Fair value through profit or loss							
Derivative	--	--	--	--	1,614,441,339,655	--	1,614,441,339,655
Other Current Financial Assets	--	--	--	--	--	100,458,061,367	100,458,061,367
Loans and Receivables							
Cash and Cash Equivalents	--	--	--	--	216,595,036,677	1,838,686,892,263	2,055,281,928,940
Trade Accounts Receivable	99,957,476,542	316,861,237,646	90,598,390,325	209,237,091,199	62,529,122,495	1,206,862,358,536	1,986,045,676,743
Other Current Financial Assets	9,251,227,122	--	--	--	101,725,374,300	374,266,753,679	485,243,355,101
Due from Related Parties Non-trade	15,333,752,676	--	--	--	--	31,710,832,058	47,044,584,734
Other Non-Current Financial Assets	--	--	--	--	--	676,168,284,143	676,168,284,143
Available-for-Sale							
Available-for-Sale Investment	--	--	--	--	6,668,457,135,231	--	6,668,457,135,231
Held-to-maturity Financial Assets							
Investment in Bond	--	--	--	--	--	10,000,000,000	10,000,000,000
<b>Total</b>	<b>124,542,456,340</b>	<b>316,861,237,646</b>	<b>90,598,390,325</b>	<b>209,237,091,199</b>	<b>8,663,748,008,358</b>	<b>4,391,366,803,257</b>	<b>13,796,353,987,125</b>
	December 31, 2015						
	Individually Impaired	Overdue But not Impaired			Not Yet Due and Not Impaired		Total
		0 - 90 Day	91 - 180 Day	> 181 Day	Global Company	Domestic Company	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets							
Fair value through profit or loss							
Derivative	--	--	--	--	2,015,953,790,020	--	2,015,953,790,020
Other Current Financial Assets	--	--	--	--	--	49,008,885,877	49,008,885,877
Loans and Receivables							
Cash and Cash Equivalents	--	--	--	--	365,151,660,796	1,474,214,342,481	1,839,366,003,277
Trade Accounts Receivable	91,468,709,993	223,118,214,459	53,706,272,647	161,665,951,150	49,932,275,382	945,924,794,004	1,525,816,217,634
Other Current Financial Assets	9,251,227,122	--	--	--	169,117,519,325	694,008,719,345	872,377,465,792
Due from Related Parties Non-trade	15,582,751,676	--	--	--	--	37,093,485,060	52,676,236,736
Other Non-Current Financial Assets	--	--	--	--	--	685,854,507,978	685,854,507,978
Available-for-Sale							
Available-for-Sale Investment	--	--	--	--	5,495,636,446,195	373,426,994,213	5,869,063,440,408
Investment in Shares	--	--	--	--	--	58,329,023,011	58,329,023,011
Held-to-maturity Financial Assets							
Investment in Bond	--	--	--	--	--	10,000,000,000	10,000,000,000
<b>Total</b>	<b>116,302,688,791</b>	<b>223,118,214,459</b>	<b>53,706,272,647</b>	<b>161,665,951,150</b>	<b>8,095,791,691,718</b>	<b>4,327,860,751,969</b>	<b>12,978,445,570,733</b>

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The Group has provided allowance for impairment on due trade accounts receivable and other accounts receivable (see Notes 4 and 6).

Not yet due financial assets which have indication of credit risk are mainly from cash and cash equivalents and trade accounts receivable.

Management is in the opinion that there is no significant credit risk on placements in banks, due to fund placements only to reputable and creditworthy banks.

Management is in the opinion that not yet due accounts receivable have no significant credit risk, because receivables from selling units of property are secured by the related properties, where as the risks exposure are lower than the security, while accounts receivable non-property arisen from customers who has good track record.

**(ii) Liquidity Risk**

Liquidity risk is a risk when the cash flow position of the Group indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Group manage this liquidity risk by maintaining an adequate level of cash and cash equivalents to cover Group's commitment in normal operation and regularly evaluates the projected and actual cash flow, as well as maturity date schedule of their financial assets and liabilities.

The following table analyzes the breakdown of financial liabilities based on maturity:

	September 30, 2016				
	Will Due In			Maturity not Determined	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp		
Measured at amortized cost					
Trade Accounts Payable - Third Parties	977,897,216,005	--	--	--	977,897,216,005
Accrued Expenses	1,348,367,920,500	--	--	--	1,348,367,920,500
Short-Term Employee Benefits Liability	13,944,799,932	--	--	--	13,944,799,932
Other Current Financial Liabilities	--	--	--	595,620,627,657	595,620,627,657
Short-Term Bank Loan	1,712,452,465,783	--	--	--	1,712,452,465,783
Long-Term Bank Loan	59,194,108,545	505,694,318,445	--	--	564,888,426,990
Finance Lease Obligation	12,190,184,691	61,035,114,103	--	--	73,225,298,794
Due to Related Parties Non-trade	--	--	--	2,425,352,150	2,425,352,150
Bonds Payable	--	3,238,513,072,852	7,121,623,066,638	--	10,360,136,139,490
Other Long-Term Financial Liabilities	--	--	--	119,679,410,279	119,679,410,279
<b>Total</b>	<b>4,124,046,695,456</b>	<b>3,805,242,505,400</b>	<b>7,121,623,066,638</b>	<b>717,725,390,086</b>	<b>15,768,637,657,580</b>
	December 31, 2015				
	Will Due In			Maturity not Determined	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp		
Measured at amortized cost					
Trade Accounts Payable - Third Parties	782,916,296,824	--	--	--	782,916,296,824
Accrued Expenses	1,006,468,547,643	--	--	--	1,006,468,547,643
Short-Term Employee Benefits Liability	12,171,380,895	--	--	--	12,171,380,895
Other Current Financial Liabilities	--	--	--	339,865,932,700	339,865,932,700
Short-Term Bank Loan	962,173,564,967	--	--	--	962,173,564,967
Long-Term Bank Loan	48,261,246,570	390,275,459,789	81,474,173,648	--	520,010,880,007
Due to Related Parties Non-trade	--	--	--	7,528,997,776	7,528,997,776
Bonds Payable	--	3,664,250,000,000	7,218,809,011,816	--	10,883,059,011,816
Other Long-Term Financial Liabilities	--	--	--	85,551,631,230	85,551,631,230
<b>Total</b>	<b>2,811,991,036,899</b>	<b>4,054,525,459,789</b>	<b>7,300,283,185,464</b>	<b>432,946,561,706</b>	<b>14,599,746,243,858</b>

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**(iii) Market Risk**

Market risks facing by the Group are mainly currency exchange rate risk, interest rate risk and price risk.

**a. Foreign Exchange Rate Risk**

Foreign exchange rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The Group's financial instrument that potentially contain foreign exchange rate risk are cash and cash equivalents, trade account receivables, available for sale financial assets, other current and non current assets, trade account payables, accrued expenses and loans.

To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties (see Note 43.d).

The following tables show total financial assets and liabilities in foreign currencies as of September 30, 2016 and December 31, 2015:

	September 30, 2016					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
Cash and Cash Equivalents	16,967,125	9,739	11,653,381	113,184	12,447	333,276,925,163
Trade Accounts Receivable - Third Parties	3,350,433	-	5,059,365	-	-	91,724,201,664
Available-for-Sale Financial Assets	-	-	653,641,376	-	-	6,223,973,182,272
Other Current Financial Assets	124,206,904	-	16,293,530	-	-	1,769,588,330,852
Other Non-Current Financial Assets	-	-	5,264,892	-	-	50,132,301,624
Total Assets	144,524,462	9,739	691,912,544	113,184	12,447	8,468,694,941,575
<b>Liabilities</b>						
Trade Accounts Payable	1,187,677	--	4,683,329	59,800	5,543	60,958,850,800
Accrued Expenses	28,104,599	--	816,799	--	--	373,081,137,880
Bonds Payable	813,306,000	--	--	--	--	10,571,351,388,000
Total Liabilities	842,598,276	--	5,500,128	59,800	5,543	11,005,391,376,680
<b>Net Assets (Liabilities)</b>	<b>(698,073,814)</b>	<b>9,739</b>	<b>686,412,416</b>	<b>53,384</b>	<b>6,904</b>	<b>(2,536,696,435,105)</b>

	December 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
Cash and Cash Equivalents	16,638,757	113,800	20,491,726	206,685	356,340	437,361,493,449
Trade Accounts Receivable - Third Parties	4,060,235	--	2,122,398	--	--	76,706,847,979
Available-for-Sale Financial Assets	--	--	601,893,492	--	--	5,869,063,440,492
Other Current Financial Assets	143,756,626	--	13,303,158	--	--	2,112,841,749,328
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,441,450,898
Total Assets	164,455,618	113,800	642,881,172	206,685	356,340	8,545,414,982,146
<b>Liabilities</b>						
Trade Accounts Payable	960,537	--	2,930,771	32,525	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,525	--	11,271,141,651,217
<b>Net Assets (Liabilities)</b>	<b>(649,230,356)</b>	<b>113,800</b>	<b>638,178,823</b>	<b>174,160</b>	<b>356,340</b>	<b>(2,725,726,669,071)</b>

Sensitivity analysis

A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp192,853,001,461 (2015: Rp891,251,773,029).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp5,488,532,114 (2015: Rp585,027,898,966).

The above analysis is based on assumption that Rupiah weakened or strengthened against all of the currencies in the same direction and magnitude, but it may not be necessarily true in reality. The analysis is not determine impact of the effectivity of derivative financial instruments of a hedge.



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**b. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group did not have interest rate risk mainly because it does not have a loan with a floating interest rate.

**c. Price Risk**

Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Group are exposed to price risk because they own an investment classified as AFS financial assets.

The Group manages this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

Sensitivity analysis

A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain on Changes in Fair Value of Available-for-Sale Financial Assets by Rp66,684,571,352 (2015: Rp58,029,566,526).

**Fair Value Estimation**

The schedule below presents the carrying amount of the respective categories of financial assets and liabilities:

	September 30, 2016		December 31, 2015	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
<b>Financial Assets</b>				
Fair value through profit or loss				
Derivative	1,614,441,339,655	1,614,441,339,655	2,015,953,790,020	2,015,953,790,020
Other Current Financial Assets	100,458,061,367	100,458,061,367	49,008,885,877	49,008,885,877
Loans and Receivables				
Cash and Cash Equivalents	2,055,281,928,940	2,055,281,928,940	1,839,366,003,277	1,839,366,003,277
Trade Accounts Receivable	1,886,088,200,201	1,886,088,200,201	1,434,347,507,641	1,434,347,507,641
Other Current Financial Assets	475,992,127,979	475,992,127,979	863,126,238,670	863,126,238,670
Due from Related Parties Non-trade	31,710,832,058	31,710,832,058	37,093,485,060	37,093,485,060
Other Non-Current Financial Assets	676,168,284,143	676,168,284,143	685,854,507,978	685,854,507,978
Available-for-Sale				
Available-for-Sale Investment	6,668,457,135,231	6,668,457,135,231	5,869,063,440,408	5,869,063,440,408
Investment in Shares	153,213,621,211	58,329,023,011	58,329,023,011	58,329,023,011
Held-to-maturity Financial Assets				
Investment in Bond	10,000,000,000	9,824,600,000	10,000,000,000	1,967,500,000
<b>Total Financial Assets</b>	<b>13,671,811,530,785</b>	<b>13,576,751,532,585</b>	<b>12,862,142,881,942</b>	<b>12,854,110,381,942</b>
<b>Financial Liabilities</b>				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	977,897,216,005	977,897,216,005	782,916,296,824	782,916,296,824
Accrued Expenses	1,348,367,920,500	1,348,367,920,500	1,006,468,547,643	1,006,468,547,643
Short-Term Post-Employment Benefits Liability	13,944,799,932	13,944,799,932	12,171,380,895	12,171,380,895
Other Current Financial Liabilities	595,620,627,657	595,620,627,657	339,865,932,700	339,865,932,700
Short-Term Bank Loan	1,712,452,465,783	1,712,452,465,783	962,173,564,967	962,173,564,967
Due to Related Parties Non-trade	2,425,352,150	2,425,352,150	7,528,997,776	7,528,997,776
Long-Term Bank Loan	564,888,426,990	564,888,426,990	520,010,880,007	520,010,880,007
Finance Lease Obligation	73,225,298,794	73,225,298,794	--	--
Bonds Payable	10,360,136,139,490	11,012,909,581,638	10,883,059,011,816	10,614,123,920,014
Other Long-Term Financial Liabilities	119,679,410,279	119,679,410,279	85,551,631,230	85,551,631,230
<b>Total Financial Liabilities</b>	<b>15,768,637,657,580</b>	<b>16,421,411,099,728</b>	<b>14,599,746,243,858</b>	<b>14,330,811,152,056</b>

As of September 30, 2016 and December 31, 2015, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

Derivative assets represent financial assets continuously measured at fair value using valuation techniques with unobservable input portion (Level 2).

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Critical assumptions used in the computation of fair value of derivatives are as follows:

- Using Black-Scholes model.
- Using the yield obtain from Bloomberg with the same maturity as option instrument.
- Using deviation standard of exchange rate of Rupiah to USD for 10 years until valuation date.
- Using rate of exchange at the closing date of the reporting.
- Using the same strike prices as stated in the call spread option agreement.

Available for sales financial assets represent financial assets continuously measured at the fair value using quotation price in an active market (Level 1).

The fair value of bond payables are estimated using valuation techniques with unobservable input portion (Level 2).

The fair value of bond is calculated based on bond yield at the same/ identical rating with the remaining maturity of the bond.

The fair value hierarchy for financial assets at period/year end were recorded using their fair value, are as follows:

	<b>September 30, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>
Fair value through profit or loss				
Derivative	1,614,441,339,655	--	1,614,441,339,655	--
Other Current Financial Assets	100,458,061,367	100,458,061,367	--	--
Available-for-Sale				
Available-for-Sale Investment	6,668,457,135,231	6,668,457,135,231	--	--
Investment in Shares	153,213,621,211	--	--	153,213,621,211
	<b>December 31, 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>
Fair value through profit or loss				
Derivative	2,015,953,790,020	--	2,015,953,790,020	--
Other Current Financial Assets	49,008,885,877	49,008,885,877	--	--
Available-for-Sale				
Available-for-Sale Investment	5,869,063,440,408	5,869,063,440,408	--	--
Investment in Shares	58,329,023,011	--	--	58,329,023,011

**48. Business Combination**

**Aquisition PT Prima Cipta Lestari (PCL)**

On January 20, 2016, PT Kreasi Tunas Bangsa (KTB) directly acquired 100% shares of PCL, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PCL:

	<b>Rp</b>
Cash and Cash Equivalents	6,117,067,268
Trade Receivables	299,415,292
Other Current Financial Assets	412,946,851
Inventories	1,408,309,475
Prepaid Expenses	105,579,169
Property and Equipment	5,489,824,438
Intangible Asset - Net	18,891,006
Deferred Tax Assets	3,684,925,500
Other Non-Current Financial Assets	394,007,900
Advance	46,160,899

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	<b>Rp</b>
Trade Payables - Third Parties	(9,934,596,453)
Accrued Expenses	(2,708,264,991)
Taxes Payable	(524,025,903)
Deferred Income	(79,329,924)
<b>Net Assets</b>	<b>4,730,910,527</b>
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	4,730,910,527
Discount	(30,910,527)
<b>Total Purchase Consideration</b>	<b>4,700,000,000</b>

Discount obtained by the Group amounting to Rp30,910,527 related to changing of quoted market price of the available for sale financial assets as at the date of agreement and pre-agreement.

The Company through its subsidiaries acquired 100% ownership, therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current period of interim consolidated statements of profit or loss and other comprehensive income. In connection with the acquisition, PCL financial statements since the date of acquisition are interim consolidated financial statements of the Group.

Total revenues and income before income tax PCL since date of acquisition which are included in the interim consolidated statements of profit or loss and other comprehensive income for the 6 (six) months period ended September 30, 2016 amounted to Rp15,109,537,895 and Rp1,110,394,566, respectively.

**Aquisition Premium Venture International Ltd (PVIL)**

On June 29, 2015, PT Swadaya Teknopolis acquired 100% shares of PVIL directly in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PVIL:

	<b>Rp</b>
Other Current Assets	9,027,108,296
Other Current Financial Assets	387,920,764,772
Intangible Assets	970,640,348
Due To Related Parties	(153,604,952,955)
Deferred Tax Liability	(294,203,676)
Other Comprehensive Income	(30,280,266,091)
Non-Controlling Interest	(37,004,196,713)
<b>Net Assets</b>	<b>176,734,893,981</b>
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	176,734,893,981
Discount	(6,634,893,981)
<b>Total Purchase Consideration</b>	<b>170,100,000,000</b>

Discount obtained by the Group amounting to Rp6,634,893,981 related to changing of quoted market price of the available for sale financial assets as at the date of agreement and pre-agreement.

The Company through its subsidiaries acquired 100% ownership, therefore there is no non-controlling interest balance.

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Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year of consolidated statements of profit or loss and other comprehensive income. In connection with the acquisition, PVIL financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax PVIL since date of acquisition which are included in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2015 amounted to Rp8,215,202,291 and Rp8,201,257,924, respectively.

Operating revenues and profit from PVIL for the year ended December 31, 2015, as if PVIL has been consolidated from January 1, 2015 amounted to Rp10,269,007,323 and Rp8,201,257,924, respectively.

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**49. Non-Cash Transactions**

The following are investing and financing activities which do not affect cash flows:

- For the 9 (nine) months periods ended September 30, 2016 and 2015, addition of AFS investment in LMIR Trust of 5,178,677 and 23,428,812 units (equivalent to Rp15,325,649,836 and Rp77,811,544,025) and in First REIT of 3,054,828 and 3,924,525 units (equivalent Rp35,206,980,505 and Rp49,941,059,612) through payment of management fees to LMIRT Management Ltd and Bowsprit Capital Corporation Ltd, respectively.
- For the 9 (nine) months period ended September 30, 2015, addition of AFS investment in KIJA's shares of 31,236,573 shares (Rp9,564,045,158) through stock dividend.
- For the 9 (nine) months periods ended September 30, 2016 and 2015, additional of property and equipment through the realization of advances for acquisition of property and equipment amounted to Rp43,182,701,093 and Rp25,668,464,778, respectively.
- For the 9 (nine) months period ended September 30, 2016, additional of property and equipment through the liabilities under capital leases amounted to Rp31,252,777,259.
- For the 9 (nine) months period ended September 30, 2016, additional of property and equipment from acquired entity with cost of acquisition and accumulated depreciation amounted to Rp25,558,430,031 and Rp20,068,605,593.
- For the 9 (nine) months period ended September 30, 2015, acquisition of entity through advances for investment amounted to Rp170,100,000,000.
- For the 9 (nine) months period ended September 30, 2015, additional of investment in joint venture through the realization of advances amounted to Rp24,457,010,000.
- As of September 30, 2016 and 2015, Receipts of Hotel and Hospital Performance Guarantee amounted to Rp18,000,000,000 and Rp103,500,000,000, still payable.

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**50. Capital Management**

The objective of capital management is to safeguard the Company's ability as a going concern, maximize the returns to stockholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company regularly reviews and manages the capital structure to ensure that the return to stockholders is optimal, by considering the capital needs in the future and the Company's capital efficiency, profitability in the present and the future, projected operating cash flows, projected capital expenditures and projected opportunities of strategic investment.

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Summary of quantitative data for capital management as of September 30, 2016 and December 31, 2015 are as follows:

	September 30, 2016 Rp	December 31, 2015 Rp
<b>Net Liabilities:</b>		
Total Liabilities	23,049,993,011,325	22,409,793,619,707
Less: Cash and Cash Equivalents	<u>(2,055,281,928,940)</u>	<u>(1,839,366,003,277)</u>
<b>Total Net Liabilities</b>	<u>20,994,711,082,385</u>	<u>20,570,427,616,430</u>
<b>Total Equity</b>	21,771,649,751,243	18,916,764,558,342
Less:		
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265	19,535,347,265
Difference in Transactions with Non-Controlling Interest	2,587,302,929,030	1,551,184,427,661
Difference equity changes of subsidiary	1,105,101,368,218	1,105,101,368,218
Other Comprehensive Income	1,160,435,975,152	482,023,339,014
Non-Controlling Interests	<u>3,053,760,760,474</u>	<u>2,522,623,681,891</u>
Total	<u>7,926,136,380,139</u>	<u>5,680,468,164,049</u>
<b>Adjusted Equity</b>	<u>13,845,513,371,104</u>	<u>13,236,296,394,293</u>
<b>Net Liabilities Ratio to Adjusted Equity</b>	<u>1.52</u>	<u>1.55</u>

## 51. Subsequent Event

On October 31, 2016, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD425,000,000 with a fixed interest rate of 6.75% per year and are listed on the Singapore Stock Exchange. The bonds will mature on October 31, 2026. Funds from the bonds issuance will be used to redeem senior bonds mature in 2022 with nominal value of USD403,306,000 at 6.125%.

## 52. Recent Development of Financial Accounting Standards (SAK)

New standard effective on or after September 14, 2016 is :

- SFAS No.70: "Accounting fo Tax Amnesty Assets and Liabilities."

Amendments to standard and interpretation effective for years beginning on or after January 1, 2017, with early application permitted are:

- Amendments to SFAS No.1:" Presentation of Financial Statements about Disclosure Initiative"
- IFAS No.31, Scope Interpretation of SFAS No.13 "Investment Property."

Standard and amendment to standard effective for periods beginning on or after January 1, 2018, with early application permitted are:

- SFAS No.69: "Agriculture"
- Amendments SFAS No.16: "Property and equipment about Agriculture: Bearer Plants".

Until the date of the interim consolidated financial statements being authorized, the Group is still evaluating the potential impact of the adoption of new standards, amendments to standards and interpretations of these standards.

## 53. Responsibility and Issuance for the Interim Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the interim consolidated financial statements which were authorized for issuance by Directors on November 8, 2016.